



cbi chief vijay shanker:
There is a huge vested interest
in maligning the bureau p18

defence:
the procurement joke p16

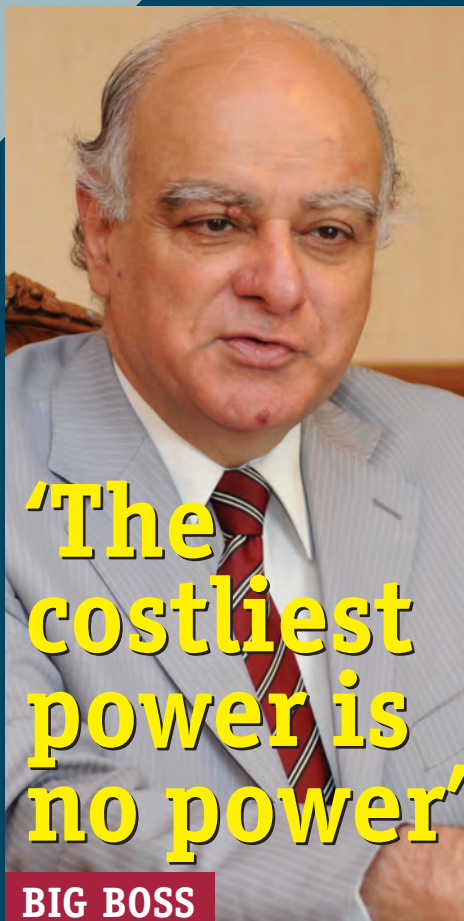
pratibha patil abroad:
behind the farce p24

VOL. 2, ISSUE 3 | JUNE 2008 | RS 200

R.N.I. NO: DELENG/2007/19719

gfiles

INSIDE THE GOVERNMENT



**'The
costliest
power is
no power'**

BIG BOSS

secretary, ministry of power | anil razdan |

interviewed by **ANIL TYAGI**

Though Anil Razdan belongs to the 1973 batch from Haryana, because his parents settled in the state, his family is originally from Delhi. His grandfather retired in 1935 as Postmaster-General of India. After doing Physics Honours at St Stephen's College, Delhi and then LLB at Delhi University, he worked briefly under Justice BN Kirpal. He began his IAS career with the Land Revenue Management and District Administration in Chandigarh on July 1, 1977. He has worked with all of Haryana's Lals – Devi, Bansi and Bhajan.

Reputed as a civil servant who knows his subject, wherever he may be placed, Razdan has been Director/Joint Secretary with the Department of Atomic Energy, and Joint Secretary, Ministry of Power, as well as Additional Secretary and Special Secretary, Ministry of Petroleum and Natural Gas. He has also been Financial Commissioner and Principal Secretary, Government of Haryana in the Power, Irrigation and Public Works Departments. In 1994-95, while at the University of Oxford, he

worked on "Energy and Sustainable Development: Global and Indian Perspectives". He has been associated with negotiations for setting up 1000 MW nuclear power reactors.

gfiles: *Everyone wants to ask the Power Secretary why there are power cuts every day, somewhere for an hour, elsewhere for five hours or 15 hours.*

Anil Razdan: It is a very straightforward situation. Demand exceeds supply. The economy is growing at about 9 per cent. People can afford more electronic and electric gadgetry. Industry is expanding. Farmers want more water. Somewhere the water table is going down. So we need more power to extract that water. It is generally felt that the rate of growth of the electricity sector should be more than the rate of growth of

contents

GUEST DESK

a power secretary proffers a novel solution to our electricity woes

6

GOVERNANCE

time to give the taxman his dues, and we're not talking about taxes

8

BRIC-A-BRAC

some are hitching their wagons to stars, others to the till

10

SPECIAL REPORTS

more sludge from aiums; up babus are on a hurdy-gurdy and it's no fun

12

TALK TIME

cbi chief speaks without reserve; tn's tourism man gushes about beaches

18

GLOBAL SCAN

enough of spending taxpayers' money on presidential trips abroad

24

BOOKS

tips on bettering emotional intelligence and forging ahead

25

FIRST STIRRINGS

devi dayal gives fate the credit for a lifetime of dedicated service

26

MILESTONE

a police officer thinks on his feet and makes policemen out of villagers

28

STOCK DOCTOR

everyone's watching the inflation graph but they'll take it in their stride

29

BY THE WAY

life's all about favours — dishing out favours or currying favour

34

BIG BOSS

the farm sector.

gfiles: *What is the rate of growth now?*

AR: Generation has been increasing at about 6-7 per cent which is not satisfactory for the need of the situation. The country needed to add much more capacity in the last two or three Plans than it did. In the Tenth Plan we had a modest target of about 41,000 MW capacity addition. We ended up achieving 50 per cent of this.

gfiles: *How much should we be adding?*

AR: About 20,000 MW every year. That will happen only if you are placing orders.

gfiles: *We have planned to add 78,000 MW in the Eleventh Plan. You are saying it should be 1,00,000 MW.*

AR: I am looking at anywhere close to 80,000 MW for the time being. But we need to develop a tempo by which we should be placing orders for about 20-25,000 MW new generation capacity every year. Once this becomes a cycle, we can assume that four years from now we will be

'We need about Rs 7,00,000 crore, for one Five-Year Plan for generation and transmission. We are looking at adding about 20,000 MW a year'
.....

adding that much capacity every year.

gfiles: *How much money is required?*

AR: For generation, you require approximately Rs 4 to 5 crore per mega watt. Same amount is required for transmission and distribution. The investment is normally in the ratio of 2:1:1. If two rupees are invested for generation, then one rupee for transmission and one rupee for distribution. Share generation capacity addition of 80,000 MW will cost around Rs 320,000 crore. Hydro projects tend to cost more for installation, but they are cheaper to run.

gfiles: *That comes to....*

AR: Close to Rs 7,00,000 crore, for one Five-Year Plan. Otherwise generation will be there but we will not be able to transmit

that power or evacuate that power, as we say, and ultimately distribute it to the consumer reliably.

gfiles: *But do we have this money?*

AR: We have to find it. That is why we are creating a conducive environment for generation, transmission and distribution. In the generation sector, we are happy with the enthusiasm that has been shown in the first year of the Eleventh Five-Year Plan.

gfiles: *By whom?*

AR: By investors. We have got 9,263 MW added in the first year. And about 60,000 MW is already under construction. In addition, in the capital power sector, we had orders placed for another 5-6,000 MW. About 11,000 MW is under construction there. I am told we placed orders for close to 30,000 MW in capacity addition in the first year of the Plan.

gfiles: *The documents of Central Electricity Authority (CEA) show it is a phenomenal opportunity. No country can possibly get this opportunity that we are getting through the power sector.*

AR: That's what I keep telling people. We have joined the working stream. People who are technically qualified were going abroad for employment opportunities. So many bright IIT people, engineers had to migrate abroad for jobs. This is a huge opportunity for a manufacturing base in India, for employment in the power sector, in construction and operation.

gfiles: *You are going to spend Rs 7,00,000 crore. You need steel, cement, other raw materials. Can you face this challenge?*

AR: First, we begin with generating equipment. We need to expand power-generating capacity. Bharat Heavy Electricals Ltd (BHEL) has expansion plans. There are at least two or three major equipment manufacturers in the country. We are looking at adding about 20,000 MW in a year which means that equipment manufactures should also be of that capacity otherwise we have to import. There is a lot of scope for expansion today. In manufacturing, people are placing orders for equipment from foreign suppliers also. But we would like to pursue a policy for at least the high-end technologies in years to come. The equipment manufacturing base will be set up in India. BHEL has tied up with Siemens, Larsen & Toubro with Mitsubishi. There are other equipment manufacturers also

Continued on page 4

CONTACT DETAILS

118, 2ND FLOOR, DDA SITE 1,

NEW RAJINDER NAGAR, NEW DELHI – 110 060

TEL/FAX: +91-11-28744789, +91-11-45082832,

+91-11-20544692

e-mail: gfilesindia@gmail.com www.gfilesindia.com

ADVERTISING & MARKETING

Rakesh Arora | LIFETIME MEDIA COMMUNICATION

DA-4, 103, DUA BUILDING, VIKAS MARG,

SAKARPUR, NEW DELHI – 110 092, PH: +91-11-22055512,

+91-9810648809. e-mail: rka1965@gmail.com

Mubarak Ali MM & Abdul Samad MM | MEDIAMART

#5/1B 1ST FLR, RAJAMMAL ST, SHENOY NAGAR, CHENNAI

PH: +91-9444914905, +91-9941908888

All information in gfiles is obtained from sources that the management considers reliable, and is disseminated to readers without any responsibility on our part. Any opinions or views on any contemporary or past topics, issues or developments expressed by third parties, whether in abstract or in interviews, are not necessarily shared by us. Copyright exclusively with Sarvashrestha Media Pvt. Ltd. All rights reserved throughout the world. Reproduction of any material of this magazine in whole, or in part(s), in any manner, without prior permission, is totally prohibited. The publisher accepts no responsibility for any material lost or damaged in transit. The publisher reserves the right to refuse, withdraw or otherwise deal with any advertisement without explanation. All advertisements must comply with the Indian Advertisements Code.

Published and printed by Anil Tyagi on behalf of
Sarvashrestha Media Pvt. Ltd. at Mayur Print House,
A 29/1 Naraina Industrial Area, Phase-1, New Delhi-110028

All disputes are subject to the exclusive jurisdiction of competent courts in New Delhi only



LETTERS: It is unfortunate that you have published an unsigned article titled “Cry baby competition” claiming that the IPS is demanding pay parity by taking advantage of a police-politician-criminal nexus without bothering to present any evidence. Further, you have claimed the nexus to be the reason for IPS officers getting appointed as Governors. Please let us know the name of

Continued on page 4



From the Editor-in Chief

ALL through May, we have received letters, telephone calls and emails – mostly from non-IAS cadres – excoriating *gfiles* for running a one-page article under our regular flaghead Mandarin Matters headlined “Cry baby competition.” The article, which did not carry a byline because the writer requested anonymity, espoused an admittedly strident – but in the opinion of the writer, a well-reasoned – point of view about why other services, especially the Indian Police Service, should not be given either the same status or monetary equality with the established creamy layer of India’s governance – the IAS – by the Pay Commission.

The writer argued that because the IAS was created to shoulder special roles and responsibilities, the recruitment and training of its cadres was deliberately different from that of, say, the IPS. What really offended some of our readers, especially those who think that the IPS has always been given a raw deal, was the article’s assertion that the IPS’s seeking of total parity with the IAS is supported by a political class that is increasingly dependent on the police “to protect the political-criminal nexus that is becoming the bane of modern India”.

Critics found this viewpoint repugnant and berated *gfiles* for having lowered its editorial standards and descended to such depths of mala fide propaganda designed to influence the country’s decision-makers who to a large extent comprise *gfiles*’s readers. For our part, we welcome such criticism. We believe that our readers should speak out – angrily if they must – when they perceive any lowering of editorial principles. And we will always defend the right of our critics to reprimand us. After all, *gfiles* is the country’s first exclusive magazine devoted to governance and provides a credible platform from which people from all walks of life – especially from among the services – can express themselves without fear, favour or threat of censure. And we take pride in the fact that we have continued to operate as an open marketplace for the expression of different points of view.

The article that has attracted so much opprobrium was not a *gfiles* editorial stand. It was a free-lanced piece from a person with unparalleled depth and width of experience in governance as well as governing. Also, it was part of the continuing debate that has been raging within the pages of *gfiles* on the thousands of proposals that have been placed before the Pay Commission. It is a controversy on which some of India’s leading statesmen and official luminaries from all streams of the government have been expressing their views and concerns in *gfiles*, starting with none other than Justice BN Srikrishna, the head of the Pay Commission, who gave his first exclusive interview on the subject to this magazine.

Actually, the bulk of the articles we have published on this subject have been scathing denunciations of our civil services. Many of them have laid the administrative woes of our country squarely at the doorstep of the IAS, accusing this once purer-than-Caesar’s-wife institution of having become a handmaiden of politicians while abdicating its founding goals of serving the Constitution and helping the poor and needy of this land.

In the year that *gfiles* has been in existence, there seems to be a consensus: There is a crying need for basic and fundamental reform at all levels if the government is to deliver social justice, security, grievance redressal, and quality of life to its citizens who are losing faith in the system. In different ways, this message has been conveyed powerfully to our readers by some of the most eminent personalities who have appeared in our pages: Minister of State for Defence Production Rao Inderjit Singh; Chief Information Commissioner Wajahat Habibullah; Rajya Sabha Secretary General Yogendra Narain; former Cabinet Secretary Prabhat Kumar; Comptroller and Auditor General VN Kaul; Department of Personnel and Training chief Satyanand Mishra, to name only a few.

That we continue to be regarded as a fair, impartial, and effective forum for the articulation of policies, programmes, ideas, out-of-the-box solutions in the pursuit of better governance – notwithstanding the controversies we create – is evident again this month in two rare interviews that advocate radical structural reform: Power Secretary Anil Razdan, and CBI chief Vijay Shanker. Their posts may be as different as chalk from cheese, but their views on areas that affect every citizen in this country – how to solve the debilitating power shortages, and how to bring high-flying criminals to justice – are sure to make you sit up and listen.

INDERJIT BADHWAR

Continued from page 3

the Governors who have been appointed because of such a nexus. I wish you had tried to find out the reasons for the demand by the IPS or given some arguments to indicate why you think the reasons are wrong. The story is abusive, one-sided, in poor taste and a case of poor journalism.

*Anonymous,
via email*

I was very disappointed to read the article titled "Cry baby competition" in your May 2008 issue. It is in very cheap taste and I am surprised that you considered it fit for publication. No wonder the author has not disclosed his identity.

The article talks of criticism coming from "an elite segment". Is there any segment more elite than the IAS in the country? It also alleges that the IPS demand is supported by "a political class that is increasingly dependent on the police to protect the political-criminal nexus". Who among the services is closest to the politicians in the country is much too well known to require any explanation.

The article is sickening, disgusting. You have lowered the standard of your own publication in the process.

*Prakash Singh, former DGP, Uttar Pradesh,
via email*

Yes, Hansraj Bhardwaj is the most introvert and least controversial figure in the UPA ministry. He is a much-needed link between the judiciary and the legislative. He keeps himself away from publicity. He is really a political gem!

*Anonymous,
via email*

Congratulations for your special coverage on governance of defence. Minister Rao Inderjit Singh's statement about the defence services ("commitment to certain values which form the foundation of our lives") could hold good for all our public servants. Reader MM Kapoor's observation that the AIIMS article was one-sided is not correct. If he is holding a brief for Dr Venugopal, I would request him to find out objectively what a crook Dr Venugopal is and how he has destroyed, besides AIIMS, the very ethos of practice of medicine.

*Dr Anupama Singh,
via email*

Continued from page 2

like Toshiba, Ansaldo. I am told they are keen. But I would prefer they set up their manufacturing base in India and through progressive indigenous manufacturers we can supply equipment to our industry.

gfiles: *Are we competent to build the capacity you are talking about? Cement, steel, transport will be required....*

AR: It will be possible. Look at the way the construction industry is picking up in the country. It too requires steel and cement for highways, flyovers, Metro construction. It is a boom period for the economy. When there is a demand for a product, there will also be a consequent opportunity for that particular industry to set up shop and there will be an investment opportunity which gives you a market. It is a unique situation. When some countries are facing the threat of slowdown of the economy or recession, we should not let this oppor-

we can have that ancillary kind of industry development with the major manufacturer. BHEL and National Thermal Power Corporation (NTPC) have recently entered into a joint venture. We are looking at forging castings for equipment, a commodity which is in very short supply, orders are booked in advance. Here is an opportunity for Indian industry to come and set up the

When lights go out...



'This is a huge opportunity for a manufacturing base in India, for employment in the power sector, in construction and operation'

tunity pass. We have this very clear possibility for cascading growth in various sectors of the economy. You mentioned steel, cement. I would mention equipment manufacture too.

gfiles: *You need cables, transformers, small transformers, switches, gears, so many other things. You don't have them. If you see the Plan, they have identified the areas where we have a shortfall.*

AR: We need more players to install the requirement for the power sector which is a unique opportunity. So we have been talking to industry, we have had meetings in regional centres also like Chennai, Kolkata, Chandigarh, Delhi. We intend to go soon to Mumbai and possibly Nagpur and Ranchi so that we are able to galvanize entrepreneurs into meeting this demand. My appeal to the chambers of commerce and industry is, don't confine your search to large and medium. It is a huge opportunity for small and medium. There can be feeders. A large number of people who can certify that certain manufacturers need their requirements, their specifications. So

best forging and casting facilities. NTPC has a joint venture with Bharat Forge, one of the leading companies in this. So we are looking at upstream and downstream opportunities.

gfiles: *You need around 1,63,000 trained people....*

AR: We need trained people and we have decided that every project developer should adopt or build a new Industrial Training Institute (ITI) in his vicinity. Or, if there is already an upgraded ITI, establish immediate liaison with them, inform them of his needs for manpower. This should be done simultaneously as he is beginning to build a project or even before that. And it would be advisable that the first recruitment be from that ITI. Whoever can be picked up. People who are trained specifically for the trades that the particular project is looking for in the construction phase and also in operation management subsequently. These ITIs can be a huge opportunity for our youth in the country to find semi-skilled jobs or lower-end technology jobs. If we can get them from the areas where the

projects are located, this should provide a symbiotic relationship between the people of that area and the plant. Till now, we have mostly been looking at unskilled labour from project areas. We've got to graduate from that. We have to look at skilled personnel, get the local people the skills and opportunity to join the mainstream for employment. When these employment

...it's back to candles



'We have decided that every project developer should adopt or build a new Industrial Training Institute (ITI) in his vicinity'

opportunities are in those remote areas, it is all the more desirable that people from those areas are educated, trained and brought up for employment in those very provinces.

gfiles: *State Electricity Boards are basically managed by private players or the government. How do you deal with them while managing the electricity?*

AR: Before the central generating stations started coming up in the 1970s, power was being generated by the states through private or public companies and being distributed locally. While we would continue to give as much support as we can from the central sector companies, we would certainly look forward to more active involvement and engagement by the states in generation, transmission and distribution. First of all, accelerated capacity addition. Second, reduction of the Aggregate Technical & Commercial (AT&C) losses, as we call them. Third, rural electrification. Fourth, getting down to open access for power to move across the national grid in the regions. Fifth, energy efficiency boom

in the country. We engaged all the Chief Secretaries in the states in a discussion last year. Then we had a conference of Chief Ministers chaired by the Prime Minister, at which these issues were highlighted and a concerted effort was to be made to try and place as many orders as we could – virtually all – by the end of last year or March this year. The working group on power for the Eleventh Five-Year Plan had suggested that we could place the orders till September 2008. But we were making efforts to complete the orders earlier.

gfiles: *What about quality of power?*

AR: Quality of power has certainly got to be improved and that is why we are saying that the distribution segment can be improved. For any improvement in recovery also, you have to improve the quality of power. Some states have separated agriculture and domestic loads. In some cases, where distribution companies have improved performance, they have appointed their

franchisees and given them some years of lease to run their system. They need some technical improvement investments. They have reduced the technical losses. They have received the recoveries and reduced the losses.

gfiles: *What is the per capita consumption in India?*

AR: About 650 units a year. We want to raise this to 1,000 units.

gfiles: *What about rural areas?*

AR: For rural areas we have the Rajiv Gandhi Grameen Vidyutikaran Yojna. We have a large number of rural consumers who need to have access to quality supply. Ninety per cent of this expenditure is coming from the Central government and 10 per cent from the local government.

gfiles: *That is rural electrification. I am talking about the expansion you are planning. How much can you manage? How much can you give the private parties?*

AR: The state agencies will also be engaged in generation and transmission. We are also opening the transmission sector to private entrepreneurs. They had successful

joint ventures in the past. Tala hydro-electric power plant in Bhutan saw a joint venture between Tata and the power grid. It has 1000 MW stations and the transmission system extends all the way to the northern region in the country. Similarly, there were other joint ventures between the power grid and private parties. We also gave out some lines for private transmission on a bidding space.

gfiles: *The percentage question. Like, we will produce 60 per cent in the public sector and 40 per cent in the private sector, with private participation. Is there any such thinking?*

AR: It varies from state to state. The level of entrepreneurship will vary from state to state. It is not possible to lay down a standard for the entire country. For example, the enthusiasm for setting up of merchant power stations in the coastal region of the country where you have the possibility of importing coal and generating power, is very good. On the other hand, in remote areas you will not find somebody willing to set up a power station unless there is a coal linkage. There is enthusiasm for pithead stations also from the private sector but large demand for coal linkages. We are giving linkages to every entrepreneur coming forth with land and water tie-up, with a reasonable degree of preparedness and financially sound enough to place orders for equipment. With Coal India we are trying to tie up coal linkages wherever possible. Our effort is to involve whichever sector.

gfiles: *There is no demarcation, no limit?*

AR: There is no demarcation, no set limits. The enthusiasm of the private sector in hydro generation, for example, has been good in some states.

gfiles: *What kind of equilibrium will there be between hydro, thermal and nuclear power generation? Is there any percentage fixed for power generation in the country?*

AR: We did a study some years ago with the CEA on the mix we need. After seeing enormous resources, we need 40 per cent hydro in the country for ideal operations so that you have good peaking power, cleaner energy. We have done a study in the hydro sector. We have done a study on 15,000 MW plants in 2003. We found that these hydro generation plants are possible.

gfiles: *How much is the hydro generation?*

AR: About 25 per cent of the total generation. But keep in mind the time factor that is involved in the construction of hydro projects, environment clearances, forest

clearances, making approach roads to the sites which are in pretty remote areas. So thermal projects will be coming on faster.

gfiles: *But what will be the percentage?*

AR: In this Plan, thermal power will easily be more than two-thirds of the capacity. Thermal can be divided into the following categories: coal, gas, nuclear. Nuclear is about 3 per cent of our capacity. Gas is about 10 per cent. The rest is coal. We wish we had more gas available. Projects could come up faster. You need less construction time. But gas is not easily available and where it is, prices have escalated. So we are not encouraging gas-based capacity addition till they have a fuel tie-up. Some gas-based plants are ideal and some were capable of generating up to 90 per cent PLF (planned load factor) but are unable to for

want of supplies. We are looking forward to gas supply increase in India. When that happens, I think about 14,000 MW is waiting to be installed in the country. With respect to the nuclear sector, the Nuclear Power Corporation of India handled it with the Department of Atomic Energy. We would certainly like more addition of nuclear power in the country.

gfiles: *But after the 123 deal?*

AR: Well, that's for the Department of Atomic Energy to answer.

gfiles: *What about the coal percentage?*

AR: That remains at 54-55 per cent.

gfiles: *But we don't have quality coal. We are importing....*

AR: Indian coal is low in contaminants in the form of sulphur. Imported coal has sulphur. We are lucky that we don't have sul-

phur in our coal but the ash content is high, between 30-40 per cent. So we need a lot of transportation of ash. We are looking at ash utilization. Most thermal power generating companies are today looking for tie-ups with cement manufacturers to utilize fly ash, a byproduct of generation, and some companies have reported great success.

gfiles: *Do we have any plans for cooperation with neighbouring countries. Do you have any tie-ups for peak hours, non-peak hours for importing and transmitting power?*

AR: There is active cooperation with Bhutan. We are cooperating in construction of more hydro-electric projects there. In Nepal also, one of our companies has been allotted a project. We will be very happy to cooperate with Nepal also in the development of hydro-electric potential.

GUEST DESK

power problem | ashok lavasa |



Freedom from darkness

A problem that continues to defy solution is the irrational pricing of short-term power

ALONG with water, electricity has emerged as a modern-day deity whose providence we seek for progress. "Power to all" is a sentiment of the millions who want freedom from darkness, who want the energy that allows them also to avail of modern economic opportunities. Electricity is a precondition for equity in society.

In 61 years, we have made remarkable progress in generation, transmission and distribution. We produce more electricity, and are able to carry it to remote corners of the country. But we also lose a lot of it along the way; we let many people pilfer it. Dealing with this, and coping with the pace at which demand for electricity has overtaken supply are among the daunting tasks facing the power sector.

India's power sector is complex – it was the first sector taken up for reforms in 1991, and yet is still struggling after over one-and-a-half decades. The power story of post-reforms India is ironic because it started with a thrust on generation, which did not take off as per expectations amid cries of shifting focus on distribution reforms, and has again tilted significantly towards

increasing generation capacity. The predicament of the power sector today appears messy because of the high level of technical and non-technical losses, which translates into an unsustainable cycle of increasing losses with every additional unit supplied.

One problem area that continues to defy solution is the irrational pricing of short-term power. Guidelines for determination of tariff by a process of competitive bidding for procuring long- and medium-term power were issued in January 2005 under the provisions of Section-63 of the Electricity Act, 2003. The state power utilities, in the interest of transparency, are adopting the bidding route for purchase of short-term power also. However, when state utilities invite bids for procuring short-term power, power producers seldom respond. Instead, the generators themselves call for bids for sale of power, which is purchased by various traders at high rates. This power, in turn, is sold to power-deficit states after adding the trader's margin, which further increases the cost of power for the discoms (distribution companies) and also for the consumers.

The competitive bidding process, which is

meant to lead to a fair price, is known to work when the commodity to be purchased is available in plenty. In the present scenario of acute shortage, the process is leading to profiteering and price distortion. States are using power as a precious commodity that can be monetized in a situation of scarcity. They are selling their "surplus" power to traders, with the deficit states having no choice but to buy it from the traders who outbid them in the bidding process. It is a trap of our own making. The public system must dispose of its assets in an open and transparent manner, a principle that compels the disposal of electricity too through the tendering process.

This is obviously affecting the financial health of the distribution companies and burdening consumers with high tariff. The already financially weak power utilities have to spend more and more on procuring less and less power from the short-term market. As this cost cannot be immediately passed on to consumers, the utilities fund it out of their working capital. The carrying cost of this working capital is also passed on to consumers as and when the regulator

Indian companies, both public and private sector, are showing great enthusiasm and taking up projects.

gfiles: *Another universal question is the cost of electricity.*

AR: We must certainly supply electricity at affordable cost to the people. Electricity tariff has not gone up in proportion to some other costs in the country.

gfiles: *Where do we stand as far as world standards go?*

AR: The cost of electricity depends on

when your stations were installed and how much you have spent already, particularly with regard to hydro power stations. For example, electricity is obtained from the Bhakra Beas Management Board at 12 paise a unit. If you want to set up a station today, it will cost anywhere between Rs 2.50 to Rs 4 a unit probably for power but then there is a levelized tariff and we look at that levelized figure to ascertain how much it is going to cost over a period of time. We are providing power at the most affordable

'You have to contain AT&C losses. You have to provide about 14 per cent return on equity for the investment otherwise it will not come'



Power thefts: a nightmare

allows it. If the regulator chooses not to allow it, the utilities have no means of recovering this expenditure.

Steps will have to be taken to stabilize the power market in the short run in order to protect consumers' interest. Just as interstate traders have a fixed maximum trading margin, there should be a limit on the generator's margin. States should sell their power only to other power utilities if they resort to the bidding process and traders should not be allowed to participate as long as the power utilities are ready to buy power for supply to their consumers. The central unallocated power should not be allowed to be traded. Similarly, power produced from generating stations based on fuel linkage granted or coal blocks allotted by the Government of India should be sold only at rates approved by the regulator or the tariff arrived at through competitive bidding.

One of the objectives of the Electricity Act is "protecting interest of consumers" while taking measures for development of the electricity industry and promoting competition therein. However, what is happening in the market today is neither an orderly development of the electricity market nor is it in the interest of consumers. A few state governments, power utilities and traders are making unjustified super-normal profit at the cost of

consumers in power-deficit states. Just as the government steps in to regulate the market in other commodities when they are in short supply, it must intervene effectively to regulate the electricity market too. The market can be developed gradually as supply constraints are eased. The commodities exchange permitting future trading in food grains is already a subject of considerable debate with some people holding it guilty of causing inflation. The inexplicable upward movement of oil prices the world over is another example of the exploitative trend of the free market in an environment of restricted supply. The complexity and challenge of the power sector lies in introducing an elephant's pace in its free trade while inducing a tiger's leap in its production. Certainly, this is baffling as per conventional economic theory, but it is inevitable for electricity is critical for society's growth with equity.

The writer is Principal Secretary, Power, Haryana. The views expressed are personal

rate, that is why we introduced a concept of comparative bidding. The most successful example of tariff-based bidding is mega projects where tariffs as low as 20 paise have been obtained for a 4,000 MW plant.

gfiles: *You are talking about the generation point. What about the distribution point?*

AR: Distribution point begins with generation. If the power that is generated is expensive, how can it be cheaper at the distribution end? You have to contain AT&C losses. You have to provide about 14 per cent return on equity for the investment otherwise it will not come. I think the costliest power is no power. When there is no power, that is the costliest proposition.

gfiles: *What about free power?*

AR: We have a view on that. It is essentially a policy of the state which is there. Power that is consumed should be paid for. Only then will you have full value for it. But there is a segment of the economy which the government feels needs to be given concessions. Our view is that wherever any subsidy is to be given in tariff, it must be paid through budgetary mechanism to the power distribution company and not loaded on the distributor. Wherever state governments decide to provide electricity at subsidized cost to a consumer, it must be paid for by the state.

gfiles: *What about the concept of "free"?*

AR: We want to make India a low energy intensity economy. Industry or consumer must use electricity in the most efficient manner. It begins with lighting, air conditioning, water pumps, and industrial machinery. If you are a low energy intensity economy, you are consuming less power for doing the same amount of work. So you have to move to CFLs (compact fluorescent light bulbs) or even LEDs (light-emitting diodes) for lighting. We are taking steps to see how we can use the carbon credit system to bring down the cost of CFLs and make them entirely affordable for our consumers. We are introducing labelling for high consumption items like refrigerators, air conditioners, water pumps, even transformers, so that consumption is minimized.

gfiles: *Are you going to bring in some regulation for that?*

AR: We are drawing up standards and specifications and we will introduce a star system of rating for these products from one star to five stars, with five stars for the most efficient. **g**

The taxman needs a break

Protagonists argue that the service has earned a place in the sun on a par with the ias

by SC NAGPAL

INCOME tax was levied for the first time in 1860, when the provincial governments administered it. However, this move lapsed in 1865. The first Income Tax Act was brought into effect from 1922. It was eventually replaced by the 1961 Act, which, with considerable modifications and amendments, has continued till today. The Central Board of Revenue was established in 1924 and there were Commissioners, Asst. Commissioners and Income Tax Officers. The top posts were manned by the ICS and the middle ranks were filled through promotions from the lower ranks.

In 1947, the Business Profit Tax Act was enacted; Estate Duty Act came into effect from October 15, 1953; the Wealth Tax Act from April 1, 1957; and the Gift Tax Act from April 1, 1958. Of these, business profit tax, estate duty and gift tax have been abolished and only wealth tax survives along with income tax.

In 1963, the Central Board of Direct Taxes (CBDT) was created out of the Central Board of Revenue and January 1, 1964 saw an officer from the Income Tax Department become its chairman for the first time. From a regime of total scrutiny of all cases of assessments, a functional scheme was set up in 1966 and a Summary Assessment Scheme was introduced in 1971. It was felt that energy for scrutinizing all cases could be spared for a bare 3 per cent of them, just as green and red channels were introduced in Customs at the airports for international incoming passengers.

Earlier, confiscatory rates of taxes amounted to 97.5 per cent but, in 1965, a Voluntary Disclosure Scheme for income tax was introduced to enable errant tax payers to turn over a new leaf and convert their black money into white. A similar scheme for income tax and wealth tax was repeated in

1975. Sikkim was included in the tax net in 1988, and the 1/6 Scheme for widening the tax base was introduced in 1998 (but has been discontinued).

The first Budget after Independence was presented by India's first Finance Minister, RK Shanmugham Chetty, on November 26, 1947. The Budget marking a change in approach towards economic liberalization came through Manmohan Singh as Finance Minister with PV Narasimha Rao as Prime Minister in 1991.

In 1950-51, there were 4,72,000 tax payers with income declared worth Rs 574.7 crore. Income and super tax amounted to Rs 155 crore out of a total revenue of Rs 625 crore belonging to the Centre and the states, out of which Rs 50 crore was export duty. This yield of revenue constituted 7 per cent of the total national income. In the 2008-09 Budget, Finance Minister P Chidambaram declared that the tax-to-GDP ratio increased from 9.2 per cent in 2003 to 12.5 per cent this year and, as compared to the total corporation tax and income tax revenue of Rs 2,30,181 crore for 2006-07, the net direct taxes collection as on the date of presentation of this year's Budget stood at Rs 2,28,745 crore, up from Rs 1,61,776 crore last fiscal, showing a growth of 41.40 per cent and achieving 85 per cent of the Budgeted target of Rs 2,67,490 crore.

For this the Finance Minister complimented the income tax department in the first live video conference of Chief Commissioners of Income Tax. It is also the first time that direct taxes have exceeded the total indirect tax collection. In 2006-07, direct tax collection was 48.76 per cent of the total tax revenue and the number of effective tax

payers for 2005-06 came to 2,97,62,483 (about 3 crore) with cost of collection being as low as 0.59 per cent for 2006-07.

Now, it is for the Finance Minister to realize that giving independent powers to the Indian Revenue Service officers and planning refresher, management, and on-the-job training programmes along with exposure through deputation and study programmes abroad on a par with the IAS will enable them to give an even better account of themselves.



FOTOS/INDIA

Filing taxes: endless rush hour

The Income Tax Officers Class I Service was started with 18 officers (current strength is 3,904) recruited through IA&AS and Allied Services examination in 1945. The training started in Bombay with Diwan Bahadur R Vardhachari, Commissioner of Income Tax, Mumbai Presidency, Sindh and Baluchistan as the patron of training. Training shifted to Nagpur in 1957, and finally to its sprawling campus on Chhindwara Road on November 8, 1981. The National Academy of Direct Taxes also conducted its first Foundation Course for Civil Services in addition to the Mussoorie Academy for which a post of Additional Director General was created in 1989 and yours truly was the first incumbent of that post. **g**

The writer is a former Chief Commissioner of Income Tax and can be reached at scnagpal@hotmail.com

COMPARISON OF IT RATES

Australia	0—48.5
Denmark	44—63
Israel	10—49
Singapore	0—22
UK	0—40
US	10—35
India	0—33

We've touched the stars

Kingfisher Airlines is now
India's only
5-star certified airline

From the moment we took to the Indian skies, guests aboard Kingfisher Airlines have enjoyed a 5-star experience. And now it's official. Skytrax - the world's leading independent research and quality evaluation body for airlines - has conferred the prestigious '5-Star Airline Status' on Kingfisher Airlines. Bringing you nothing but the best on-ground and in-flight experience has always been our passion, and will continue to be so.

*Fly the Good Times.
Fly like a star.*



No free lunch lesson for dusu candidates

ELECTIONS to Delhi University Students' Union (DUSU) have always been a prestige issue for the Congress party and are blown out of proportion in national politics. The party's frontal organization, National Students Union of India (NSUI), selects the aspirants to contest election to different posts. A General Secretary of the party and member of the Congress Working Committee has been calling the shots during the final stage of selection of candidates ever since he first occupied a powerful post in NSUI in the early 1980s.

In the battle to capture DUSU last year, this leader forced NSUI to select one of his favourites who, jus-



tifying his selection, won the election. Once the euphoria of victory subsided, the winning candidate was shocked to receive a lukewarm response from the General Secretary whenever he went to meet him. Puzzled, he consulted his seniors in NSUI to discuss how to remain in the good books of the General Secretary with an eye on a future in politics.

When the seniors questioned him, they found that he had secured the party nomination for the DUSU elections without any personal investment! Wisdom then prevailed and he presented a new Ambassador car to the General Secretary, who was immensely pleased. The Congress leader is currently looking for aspiring candidates for this year's elections, who can present him similar gifts.

Jaswant's day dreams aspiring to be pm

LAL Krishna Advani, the Bharatiya Janata Party's official Prime Ministerial candidate, must learn from the past that there is many a slip between cup and lip. This time, the slip may be the result of the efforts of a foreign Big Brother who wants to crown a leader bereft of any mass or organizational base as king of India. Sources say former Minister of External Affairs Jaswant Singh has qualified in the eyes of this Big Brother.

Jaswant's lifestyle matches that of many Opposition leaders and he also developed vast international contacts during his tenure in South Block. While he cannot compete with Advani's organizational skill and mass base, he has been trying to match Advani's mellow remarks about Mohammed Ali Jinnah by authoring a soon-to-be released book, *1947—A fractured freedom: Journey of Mohammed Ali Jinnah from an ambassador of Hindu-Muslim unity to Quaid-e-Azam of Pakistan*.

He has also stated that the decision to release three master terrorists in return for 161 passengers and crew aboard the Indian Airlines plane hijacked to Kandahar was taken at a Cabinet meeting. This statement hits out at Advani, who has claimed ignorance of any such decision. Now, with the backing of the Big Brother, Jaswant is aspiring to enter 7 Race Course Road.

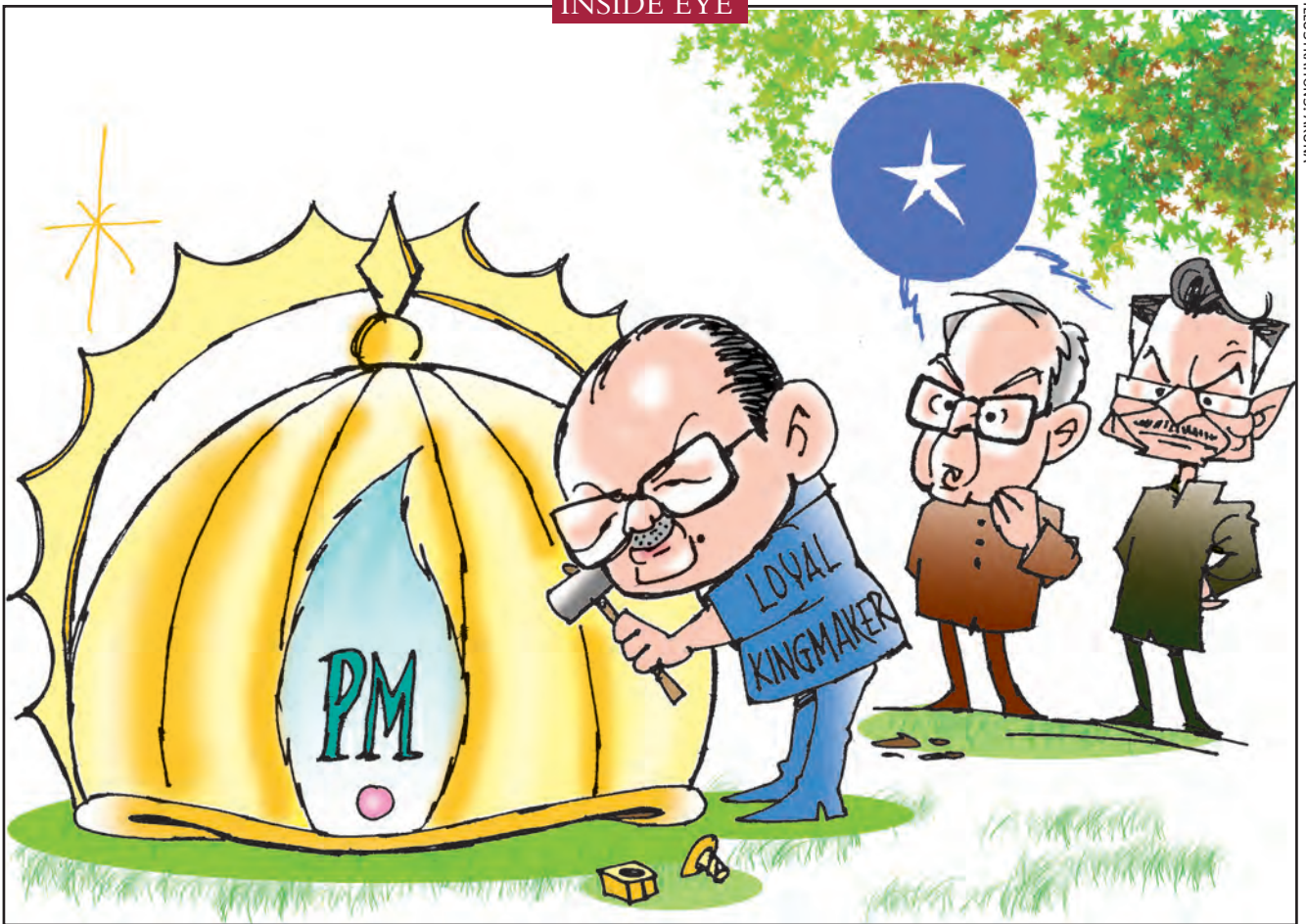


Rahul scans 'report cards' talent search in full swing

IF you can present yourself as a dynamic personality by answering a corporate-style questionnaire via email, it's a good reason to select you for one of the political posts in the Youth Congress and the National Students' Union of India (NSUI). At least, this is what Rahul Gandhi believes.

While Sanjay Gandhi picked up his youth brigade from roadside *dhabs* and shops, Rajiv Gandhi relied on his personal interaction with youth. Now, the times have changed and so have the youth. There are no more walk-in interviews. Rahul has formed an unofficial "talent search committee" to select his own team. The members of the committee are Ashok Gehlot, BK Hariprasad, Mukul Wasnik, Jitin Prasada, Sachin Pilot and a host of other politicians. The questionnaire is mailed throughout the country and interested candidates answer it. Then the team jointly evaluates the answers, allots marks and submits the marked questionnaires to Rahul, who vets each one.

With this well-intended move by Rahul, the district and state party organi-



zations are fast turning into placement bureaus where artful Congress workers are using every trick in the book to win over the committee members for an A+ report card.

Bottom line: Nothing can change Congress culture unless you start with the report cards of the committee members.

If money be Maya... ...the queen's no dalit

It is no secret that Mayawati has achieved her rise in politics from zilch. Having seen many political and personal upheavals, she is heading the Uttar Pradesh government with single-party majority amidst a number of corruption cases running in courts. Yet her personal treasure, which owes its existence to that of the party fund, is mind-boggling.

She owns 5,000 silver coins, 10,000 gold coins and 787 diamond crowns. Further, she claims that these are donations from those who are plainly unable to make both ends meet. For the period between 1995 to 2003, she was supposed to pay Rs 90 lakh as income tax. Her account in the Union Bank of India, Delhi has deposits amounting to two crore and 27 lakh rupees. Another account in State Bank of India, Parliament Street has a balance of 23 crore and 45,000 rupees. Various banks in Greater Noida and Bulandshahr have fixed deposits in the names of her brother, father and other relatives worth two crore and 50 lakh rupees.

For reasons best known to her, she files tax returns in Delhi. Owing income tax amounting to 12 crore 50 lakh rupees, she has deposited 14 crore 70 lakh rupees in two instalments.

Appropriately, she is the leader of poor Dalits of UP. **g**



The wily wily ways of Dr

The cardiac surgeon's extension may be a shot in the leg for the premier institute

GFILES BUREAU

"In view of our order passed in the writ petition, the writ petitioner shall serve the nation for some more period, ie, up to 2nd of July, 2008. We direct the AIIMS authorities to restore the writ petitioner in his office as Director of AIIMS till his period comes to an end on 2nd of July, 2008."

THE Supreme Court's observation is apparent in its judgement in the Ramadoss vs Venugopal tussle. Dr Panangipalli Venugopal had petitioned the court to stay the amended Act of 2007 for New Delhi's All-India Institute of Medical Sciences (AIIMS) and Chandigarh's Post-Graduate Institute of Medical Education and Research (PGIMER) – stay the retrospective implementation of the proviso applicable to him and enable him to continue as Director of AIIMS till 03.07.2008. The judgement, delivered by Justices Tarun Chatterjee and Harjit Singh Bedi on May 8, 2008, gave him a fresh lease of life to carry on his dispensation.

His reinstatement was celebrated by his coterie (with firecrackers, in utter disregard for indoor patients) though the media projected it as jubilation by the entire staff. In fact, a majority of the faculty and staff have been watching the developments with disbelief and disgust as the primary activities—teaching, research and care of patients—have been relegated to the background and the disintegration of a premier institute is being effected in public view.

In a typical juxtaposition of his interests vis-à-vis the institute's, Venugopal sent out a signed circular saying: "I once again thank all concerned including the media for supporting the AIIMS."

Elected parliamentarians differed from the court's view. Lok Sabha Speaker Somnath Chatterjee said the Supreme Court's decision to strike down the legislation was surprising and extra-constitutional. "Populism and correctness are different

things," he said. During the November 22, 2007 debate in the House on the Bill to amend the Act, members were concerned and angry at the state of affairs in AIIMS. Various members who defended the Bill said the following: "The Bill should be passed as early as possible because the situation is deteriorating every day....The Director cannot be allowed to exercise all autocratic powers in the name of autonomy....The Institute is functioning at the whims of the Director....This Director should be removed as soon as possible...he has divided the Institute on caste lines....He has insulted our Constitution....It is a very serious matter....This Director's continuation is not in the interest of our democracy...he should not only be removed but also should be arrested and severely punished as per law for all that he has done...."

Venugopal's next service to the nation was the postponement of a scheduled viva/interview of senior resident doctors whose appointments have been pending since July 2007 due to a discriminatory practice introduced at AIIMS with his support. This practice was put in place to eliminate through viva any candidate they did



Venugopal escorted after meeting: unstable?

not like even if s/he scored 90 per cent in the written test. The governing body has since directed a changeover to a more rational procedure.

Then, with much tom-tomming, Venugopal operated on George Majeed, a Pakistani child with a hole in the heart. This is a common condition and the department performs about 400 such operations in a year. The surgery certainly did not require Venugopal's expertise, every heart surgeon

Though Venugopal is perceived as a messiah for heart patients, facts tell a different story. As chief of the cardio-thoracic centre since 1983, he used the place as his fiefdom to extract every possible benefit



Panangipalli Venugopal

does it. The child was admitted on May 6 and, according to the operating surgeon, Dr AK Bisoi, he needed urgent surgery and any delay would have made the case “inoperable”. Strangely, the patient was kept waiting for Venugopal to be reinstated on May 8 and the surgery was finally done on May 10. The media made much of it but, interestingly, not a single reporter or TV camera recorded Venugopal’s statement that he personally conducted the surgery. Insiders are intrigued as to how a person who cannot stand for even 10 minutes at a stretch performed a two-hour surgery.

But Venugopal has long been known as a master of publicity. In 2005, he told a national daily that he had achieved a “global first” in stem cell therapy for heart patients. The paper’s February 25 edition carried three long stories detailing Venugopal’s claims about his experiment on 35 patients. There was no ethical clearance for his research, no protocol, no scientific documentation and no published paper in any indexed journal. There was a hue and cry among the scientific community. *Nature* published a story commenting on the absence of a regulatory mechanism in India in the field of sensitive medical research. Readers wrote to the newspaper for more details, stating that the story was totally misleading. The newspaper did not carry a single letter against the stories; the renowned surgeon was evasive; and no one knows what happened to those 35 patients.

To return to Venugopal’s deeds after his reinstatement. He summoned Dr TD Dogra, the seniormost professor who officiated as Director, and subjected him to intimidation by his personal lawyer and a senior faculty member. Dogra has made a written complaint and the matter is with the PMO and the Police Commissioner.

Though Venugopal is perceived as a messiah for heart patients, facts tell a different story. As chief of the cardio-thoracic centre since 1983, he used the place as his fiefdom to extract every possible benefit. Despite clear rules, he overcharged patients and collected over Rs 40 crore. He reportedly operated a parallel illegal

The journey to ‘justice’

22-11-2007: AIIMS amendment Bill is passed in Lok Sabha.

28-11-2007: The Bill is passed in Rajya Sabha.

29-11-2007: Venugopal files writ petition under Article 32 in Supreme Court, challenging the legislation even as the Bill is sent for Presidential assent.

30-11-2007: The petition is listed before Justice GP Mathur who declines to hear it.

03-12-2007: The petition gets listed before Justices Tarun Chatterjee and Dalveer Bhandari. After hearing, they issue notice to Union of India. No interim relief to Venugopal but verbal observation that “we are with you”.

22-01-2008: Listed for hearing but adjourned as the judge had not read the file.

06-02-2008: Listed for hearing but adjourned.

07-02-2008: The matter is adjourned since another matter was continuing.

13-02-2008: Listed for hearing but adjourned.

04-03-2008: Listed for hearing but adjourned as Mr Arun Jaitley wanted to be in Parliament.

05-03-2008: Hearing starts before Justices Tarun Chatterjee and HS Bedi.

11-03-2008: Hearing continues through 11 and 12 March.

12-03-2008: Judgement reserved with direction to parties to file written submission by March 24. The Union of India files its submission on 24 March and Venugopal on 25 March.

08-05-2008: Judgement is pronounced at 10.30 am but a copy of it made available on 09-05-2008 afternoon.

NB: In the context of the judgement, two things happened which are being hotly debated in AIIMS: the judgement was delivered only two days after the current session of Parliament ended and barely a week before the court closed for summer vacation; and the AIIMS CTVS department kept a patient ready for Venugopal to “operate” upon immediately after reinstatement. It is possible that this could be pure coincidence.

account and purchased equipment worth crores of rupees without any authority. The equipment also lacked utility for patients. The Director General of Audit (Central Revenues) commented on this irregular fund but the government has kept quiet.

From December 2007 to April 2008, when Venugopal was out of AIIMS and the cardio-thoracic and vascular surgery (CTVS) department, the latter performed more surgeries than in the preceding 10 months when he was busy staging his anti-Ramados battle to the delight of a national audience and a section of the media.

The department also registered another record during his absence. The robotic equipment for heart surgery was purchased for Rs 7 crore in 2002 by Venugopal as head of the department. In the first couple of months, it was tried out on five

patients. Then it was dumped. According to Venugopal, it was unsuitable for the type of patients AIIMS gets. The machine was revived in his absence and, in the first four months of this year, the department performed eight robotic surgeries. Escorts Heart Institute, which also procured the equipment at the same time, performed over 100 robotic procedures in a year.

It is said that none is above the law. But Venugopal has proved this wrong. Those concerned about AIIMS blame a weak government, irresponsible Opposition, lopsided media and immature Health Minister for the present mess. At least three police complaints against Venugopal are pending for over a year. Delhi Police would not register an FIR against a VIP. Clearly, he has proved that he is above accountability. **g**

UP bureaucrats on a

The transfer-posting factory gains steam as Mayawati government comp

by TARA PATKAR

DESPITE Uttar Pradesh Chief Minister Mayawati thundering, "The transfer business has come to an end" soon after assuming office on May 13 last year, the facts defy her pronouncement. The business of transfers is firmly entrenched and flourishing. But, then, is it proper to blame her? After all, she is only following precedence. By the end of December 2007, she had transferred 647 officers. As her government marked a year of being in power, it has notched up over a thousand transfers to its (dis)credit.

Within a fortnight of assuming office, she twice transferred 24 officers. In the next month, 10 officers were shifted twice. An officer's tenure in a posting averaged about three months. Mayawati also reshuffled her Secretariat at least six times, while 90 per cent of District Magistrates and district police chiefs have been reshuffled twice or more.

The civil services board, revived with much fanfare and headed by the Chief Secretary, has become redundant.

The Bahujan Samaj Party victory in the May 2007 polls was significant in that, after a gap of 16 years, the state got a single party government – but at the cost of governance. Deaths are increasing in drought-hit Bundelkhand. Mayawati announces new schemes every other day – but can a "bureaucracy in a perpetual state of transit" deliver?

The state has 422 IAS officers and 270 IPS officers. It is the latter who have been worst hit, with 257 being transferred. By using the Right to Information Act, Amit Awasthi of Vikalp Samiti organization gathered details about the transfer of IPS officers. The government shifted 95 per cent of IPS officers within 165 days of assuming office – between May 13 and October 24, 2007. In the process, some dubious records were set. Five officers were transferred 5 times, 11 officers 4 times, 38 officers 3 times, 87 officers twice, and 93

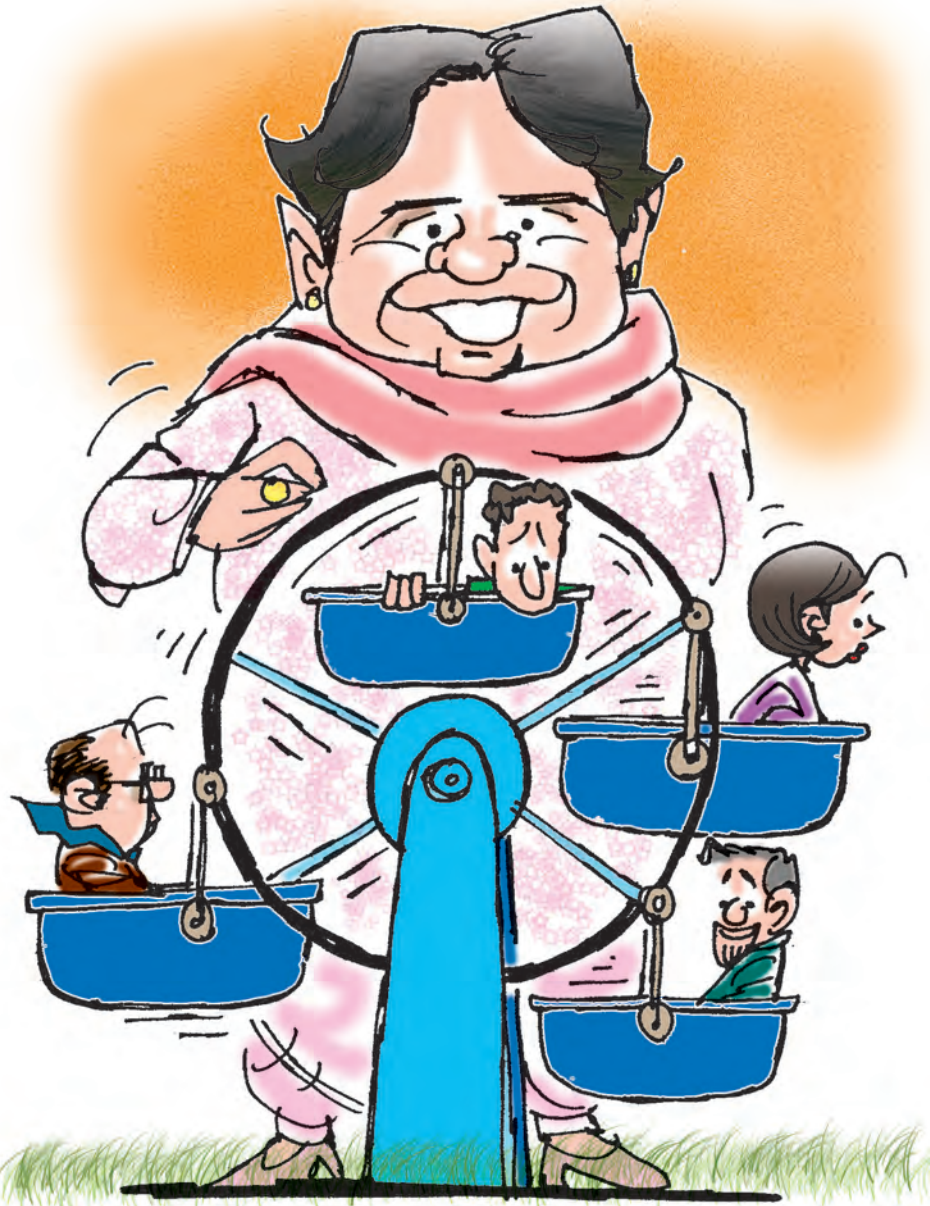


ILLUSTRATION: ARUNA

IPS officers have been worst hit, with 257 being transferred. The government shifted 95 per cent within 165 days of assuming office



uction

letes one year

officers faced just a single transfer. Mercifully, the government cancelled only 15 transfers during this period. On May 13 this year, as the Mayawati government celebrated its first anniversary, the state's IPS officers celebrated one year of uninterrupted posting of two lucky colleagues, Prashant Kumar and Nachiketa Jha – the district police chiefs of Maharajganj and Hamirpur, respectively.

The drought-stricken district of Mahoba in Bundelkhand saw four District Magistrates – Samir Varma, JP Mishra, Anita Chatterji and Vijay Vishwas Pant – and four police chiefs – Ghyan Singh, Ajay Mishra, Deepak Sharma and RP Singh – in this one year. One of these officers, transferred for the seventh time, gave vent to his frustration before the local press. He was then transferred from Mahoba to Azamgarh within a month.

In Banda district, three District Magistrates and two Commissioners were changed. In the remaining five districts of Bundelkhand, transfers of officers have been affected three times. These reckless transfers are taking a serious toll of developmental and relief work, resulting in an exodus of the rural population.

As a retired IAS officer and former General Secretary of the Rajya Sabha, RC Tripathi, commented, "Civil servants cannot perform when they are not sure of their stay in the chair. They are also simple human beings and need time to understand a district's history, geography, people's requirements and expectations. UP is reeling under bureaucratic instability. In our times, the prospect of a transfer never arose before two or three years."

Governance is the known casualty of such transfers, yet every government does

The professional puppeteers who perpetuate postings

THE transfer industry flourished during Mayawati's first government. The Ministers were asked to make monthly payments which they could mobilize only through transfers. Mayawati needed money for elections and expansion of the party base. The most influential person in this business was Captain Rizvi.

In the Kalyan Singh government, Kushum Rai virtually ruled the state. During Ram Prakash Gupta's regime, transfer matters were reportedly dealt with by his son, Rajiv Lochon, and Sandeep Bansal. When Rajnath Singh replaced Gupta, his brother-in-law, Arun Singh, and an information department employee, Hemant Singh, were the most sought-after conduit to the Chief Minister. Arun Singh is a Delhi-based chartered accountant and is currently president of the Investment Cell of the BJP. During Mayawati's second stint, Babu Singh Kushwaha, Nasimuddin Siddiqui and PL Punia dictated orders. At present, Shashank Shekhar Singh, Vijay Shanker Pandey and AK Jain are monitoring the transfers in the name of governance. And, of course, there are the eternal survivors – Pramod Tiwari, Jagdambika Pal, Nasib Pathan, Vijay Saraswat, Siraz Mehndi and Naresh Aggarwal – who reportedly operate during every regime.

A senior IAS officer points out, "Frequent transfers of the officers are indicators of an administration turning bad. It also creates all sorts of problems for officers and their families and leads to wastage of public money. There are officers who have been transferred five times or more in less than a year. What results can they deliver? The inconvenience to their families can also be imagined. It appears that transfer bills of IPS officers are not cleared promptly because the funds allocated for the purpose have been spent."



Siddiqui, Singh, Tiwari, Pathan, Rai: what's a posting among friends?

this in the name of overhauling the system. The purpose is to benefit a select few who cut across party lines and are known faces in the corridors of power.

The seeds of transfer were dormant during the time of Congress stalwarts like CB Gupta and Banarasi Das but sprouted when ND Tiwari headed the state with a colourful coterie. Vir Bahadur Singh and VP Singh then irrigated the field and transfers grew into a full-fledged industry for the first time when Mulayam Singh Yadav headed the Janata Dal government in 1989. Even in the last regime, it was an open secret that Mulayam Singh Yadav's brother

and former Minister, Shivpal Singh Yadav, and an MP, Ramgopal Yadav, were the *de facto* bosses of Mulayam's transfer factory.

It is an open secret that some politically well-linked people are running the transfer business in the state. Traditionally, the going rates for transfers are: For a gazetted officer, Rs 5-10 lakh; for a non-gazetted officer, Rs 2-3 lakh. The transfer rates are higher for districts in western UP – Rs 10-20 lakh for IAS officers. Ghaziabad and Noida are the costliest districts. For IPS officers, they have to pay more for cities like Kanpur.

Interestingly, the rates are lower for the post of District Magistrate because developmental work had been assigned to the Chief Development Officer (CDO) by the previous government. The districts under the National Rural Employment Guarantee Schemes, Rae Bareilly, Kushinagar and Sonbhadra, have CDOs and only these CDOs can afford to pay higher rates. **g**

Traditionally, the going rates for transfers are: For a gazetted officer, Rs 5-10 lakh; for a non-gazetted officer, Rs 2-3 lakh

Lambs in the arms bazaar

Purchase of equipment is a specialized task but India makes ignoramuses do it

by MAJ. GEN. MRINAL SUMAN

THE Comptroller and Auditor General (CAG)'s report has observed that defence acquisition is "a cross-disciplinary activity requiring expertise in technology, military, finance, quality assurance, market research, contract management, project management, administration and policy making". "The existing system of acquisitions being handled by unspecialised personnel posted for three-year tenures is simply not adequate," it stated. The CAG is the first agency that has looked at the staff inadequacies that plague India's defence procurement regime. The thrust has been on organizational and procedural reforms only, whereas the mediocrity of the staff has been the main reason for non-performance.

India has failed to appreciate that procurement of defence equipment is a highly specialized and complex activity needing extraordinary professional skills and unique attributes. Little thought has been given to human resources and the staffing system. Procurement of military equipment worth hundreds of crores of rupees is being carried out by people ill-equipped for the job. The quality of personnel is the weakest link in the procurement system.

The staff carrying out acquisition-related functions is drawn from the services, the civil bureaucracy and Defence Finance. They are neither selected for any displayed talent nor are they given any special training to handle defence procurements. They even lack the necessary education to comprehend competing technologies and technicalities of complex procurement procedures. Unfortunately, all senior functionaries (both military and civil) do not feel any necessity to improve their

knowledge or hone their skills in the mistaken belief that their initial training and subsequent exposure equips them to shoulder any responsibility.

Service officers

All procurement proposals emanate from the service headquarters. Preparation of Qualitative Requirements (QRs), technical evaluations, field trials and identification of acceptable equipment are carried out by the services staff. Despite their criticality, the services have not considered it essential to assign these functions to suitably selected and equipped officers. The services have laid down minimum criteria for a host of lesser posts but none for acquisition duties. Almost all acquisition functions are performed by officers on routine or last-leg postings. For example, in the case of the Army, the Weapons and Equipment Directorate is the nodal agency for all new procurements, yet its head is always an officer on the verge of retirement. It only shows the lack of importance assigned to such a critical appointment.

QRs form the basis of all procurement proposals and their formulation entails a thorough knowledge of own mission requirements, products available in the world market, competing stabilized technologies and cost-performance matrix. Poorly-conceived and imprecisely-drafted QRs create confusion, lend themselves to



misinterpretations, compromise the quality of equipment, prove expensive, and cause immense delays. Yet, the services have totally ignored this critical aspect.

Technical evaluation, including field trials, is another vital activity as it validates performance claims made by the producers and ascertains the suitability of the equipment. Although trial of new equipment with differing technologies is a highly specialized task, trial units are nominated purely on the basis of location rather than for any displayed competence of the commanders. It has been seen that most trial units are incapable of conducting objective trials.

Civil bureaucrats

Once technical evaluation is completed and the staff evaluation report is accepted by the Ministry, a Commercial Negotiation Committee (CNC) under a civil bureaucrat is constituted to carry out all processes from the opening of commercial bids of the technically acceptable vendors to the conclusion of contract.

Civil bureaucrats posted to acquisition posts are neither selected for any special

It is not uncommon to see a bureaucrat from Poultry Development or Khadi Udyog being posted to the Defence Ministry to handle procurements worth millions of dollars



FOTOSANDIA

The way forward

Functionaries posted to key acquisition appointments are not selected for any special flair or criteria. There is no selection at all and all postings are done as a matter of routine turnover. Parameters and tender documents are prepared in a most amateurish and casual manner. They contain ambiguities which later lead to multiple interpretations. Trials are carried out by units who consider it an additional chore and fail to comprehend their significance. Negotiations are carried out by people who have little comprehension of the equipment or its various functions. They have no knowledge of international trade, foreign exchange trends and cost-benefit analysis. Finally, the contribution of Defence Finance is more by way of raising irrelevant observations rather than rendering any sound financial advice.

To start with, all appointments that are critical to the defence procurement process must be identified and duly notified. Keeping the profile of each job in mind, essential criteria must be evolved for selection of personnel. To induct talent and inject professionalism, norms regarding formal education, related experience, past exposure in similar jobs, demonstrated competence and aptitude must be laid down. Selected officers should have an unblemished record and integrity beyond reproach. To provide continuity, their tenure should be for five years.

Although senior officers feel that they know all that is worth knowing, all new appointees must be given compulsory orientation training for six weeks to acquaint them with procurement structures, procedures and methodology. Equally important is training of trial teams to enable them to interpolate exploitation of equipment in diverse combat milieu.

India is expected to spend close to 100 billion dollars on capital procurements in the next five years. It has generally been accepted the world over that an efficient acquisition organization can not only expedite procurements but also affect a saving of up to 15 per cent of the capital expenditure in initial purchase price and associated life-cycle costs. When translated into actual figures, the saving amounts to a whopping 15 billion dollars. It is time India puts its act together and pays attention to the quality of the acquisition staff. **g**

qualification nor for any exhibited talent. In fact, no selection is carried out at all. It is not uncommon to see a bureaucrat from Poultry Development or Khadi Udyog being posted to the Defence Ministry to handle procurements worth millions of dollars. A senior bureaucrat once remarked that it took him months to understand military structures and acquire elementary knowledge of defence matters. He rued the fact that he had to bank on his common sense as he was provided no training or guidance. "We are asked to fend for ourselves and ensure our own survival," he added.

Price determination and contract negotiation call for special training and skills with regard to negotiation terminology, styles and techniques, legal implications for various contract situations, and contract administration. Most officials go by their gut feeling as they are totally ignorant of various scientific tools.

Defence Finance functionaries

Defence Finance functionaries play a decisive role as they remain closely associated throughout the whole process from

the initiation of a proposal to the signing of the contract. They are required to vet tender documents, appraise commercial proposals, determine fair price, prepare comparative statements of bids to identify the lowest bidder, and assist in the conduct of negotiations and contract drafting.

Financial issues in acquisition include cost estimating, earned value analysis and total ownership cost reduction studies. The designated role of the Indian Defence Accounts Service cadre is restricted to provision of accounting cover and audit. Having graduated in languages and humanities, most do not possess even elementary knowledge of economics but are expected to apply economic tools to procurement proposals to help evolve the most suitable alternative. It is grossly unfair to them. India is perhaps the only country where defence economic advisory functions are performed by officials who neither know economics nor defence imperatives. There is a total mismatch between the proficiency required by financial experts in defence procurements and their designated task of account-keeping and auditing.

India is perhaps the only country where defence economic advisory functions are performed by officials who neither know economics nor defence imperatives

'Police personnel are perceived as pe

interviewed by ANIL TYAGI

Vijay Shanker (IPS, 1969 batch, UP cadre) is the country's seniormost officer. Before becoming Director of the Central Bureau of Investigation (CBI), he was Director-General of the National Disaster Response Force and Civil Defence and also Director-General, SSB. He is a member of Interpol's Asia Executive Committee. He has had a long association with the CBI, having been Additional Director and, before that, SP. He also served in the Border Security Force as DIG and IG, handling Kashmir terrorism at its peak in the early 1990s. He has also worked with the Ministry of External Affairs and served in an Indian mission abroad.

Shanker has served his home cadre as SP, DIG and Additional Director General of Police, heading the UP police headquarters and Provincial Armed Constabulary. He believes basic policing and professional investigation by a police station are fundamental to the rule of law and good governance and are essential critical components of poverty alleviation and overall development.

gfiles: *What is the great challenge before the CBI in the context of new-generation crime?*

Vijay Shanker: The challenge is to ensure a high professional standard, transparency, fairness and objectivity. Maintaining this is a challenge as CBI is only one part of the whole criminal justice system. Unless we ensure that the cases that CBI registers for investigation are disposed of at the earliest possible, there is likelihood of the person being investigated not getting justice. Justice is ensuring that the person who has violated the provisions of law gets punished. As per law, justice is also to protect the common man and, more so, an innocent person is declared so based on the investigation at the earliest. In this context, pendency of cases under trial is a very serious concern. Any pendency, at any level, only leads to the common man's belief that corruption flourishes because corrupt elements do not get punished.

gfiles: *Whenever the CBI files a case, the media says it will not lead to a logical conclusion and justice will not be done. Why this*

phenomenon and why this image of the CBI?

VS: This perception is perhaps because some past cases involving the high and mighty did not reach their logical conclusion. In the criminal justice system, an investigating agency like CBI initiates the process of law enforcement through registration of First Information Report (FIR) and subsequently conducts an investigation into the allegations contained in the FIR as per law. The CBI only finds out the truth and collects evidence to prove allegations against the accused. The CBI does not sit in judgement.

In spite of all this, the CBI maintains the highest conviction percentage not only in India but comparable internationally. In the last five years, the conviction percentage of the CBI is 67 to 74 per cent. This, despite the fact that there are over 8,000 cases pending trial, some for as long as 20 years. The common man is so afflicted by corruption, lack of governance that he does not have patience any more to understand the intricacies of the criminal justice system. He wants improved standards of governance, improved governmental services. The majority of people obey the law and therefore they wish that those in authority, if they violate the law, be punished. This has not happened. CBI investigates only 1,000 to 1,200 cases in a year. It cannot handle more. Investigation, being a part of law and order, is the exclusive subject of the states and now, increasingly, states are asking CBI to investigate cases. You must understand what this means.

gfiles: *That's why the Prime Minister is talking about setting up a federal agency.*

VS: No federal agency can take over the responsibility that is vested in the state government under the Constitution. A federal agency perhaps will be able to handle selected cases which have inter-state, international ramifications and the kind of sensitivity associated with integrity and terrorism and economic well-being of the nation.

gfiles: *If a federal agency is set up, could you handle it?*

VS: This is a complex issue. The media has been talking about it without proper research. Law and order, investigation and



policing, as I said earlier, are the exclusive domain of state governments. Unless the Constitution is amended, it is not possible to create a federal agency. It also needs a political consensus.

gfiles: *But would you be ready to take on the responsibility of the federal agency if it is set up or if the CBI is reconstituted into a federal agency?*

VS: It is hypothetical. The CBI has handled the most complex cases in internal security, scams, bank frauds, new-generation crimes like cyber crime, intellectual property rights, money laundering. In the Bombay blasts, CBI has succeeded in conviction of 100 accused out of 123 tried so far. Nowhere in the world has this happened.

Personal armies of state governments'



FOTOSAINDIA

'Unless the Constitution is amended, it is not possible to create a federal agency. It also needs a political consensus'

gfiles: Cases like Telgi are pending....

VS: Pending for trial. Investigation has been carried out in the shortest possible time. In four cases, conviction has taken place and Telgi and his collaborators have been sentenced for severest possible punishment up to 10 years. For the first time in the world, it was done only through electronic evidence, that means trial through video conferencing. There will not be a single case related to Telgi which will not end

in conviction. In the *chara ghotala*, over 25 cases have been decided in which severest of punishment has been awarded. In these cases, over 100 accused have been sentenced to the severest possible punishment. Not a single case has been acquitted so far. It is not an ordinary thing.

gfiles: Well, in the *chara case*, everybody knows. What has happened?

VS: That is none of my business, my chargesheet is in the court and it is for the

court to decide. If you want to know about it, why don't you send the RTI application?

gfiles: RTI is all very well. But we have to ask the boss of the organization to know the real truth....

VS: No. I must tell you and you must write it. In India, corruption has not been debated enough. Corruption is not just a law enforcement issue. The joke is that the state of affairs is that "my corruption is no corruption but my rival's corruption is corruption".

gfiles: Do you think police reforms are necessary?

VS: Police reforms are an urgent necessity. The Centre has been considering the second National Police Commission recommendations. The Supreme Court has given specific directions in Prakash Singh's writ petition. Police reforms are critical if the country has to sustain all-round progress. It is the responsibility of the state government to protect the rights of the common man, give him a sense of security. This has not been achieved, challenges are enormous. Only well thought-out police reforms can bring about such change.

gfiles: What is the problem?

VS: In some states, police personnel are commonly perceived as "the personal army" of the state government of the day. The populace gets to interact with the police yet police credibility is low. Radical police reform is inescapable. Unfortunately, every government has ensured that no reform in police takes place.

gfiles: Are you planning to educate the public about the CBI's functioning?

VS: There is a huge vested interest in maligning the CBI and creating confusion in the minds of the people so that they have a question mark against the CBI.

gfiles: What qualitative change has a fixed term for the Director brought to the CBI? Do you feel CBI is independent?

VS: Of course we are independent with regard to investigations. The fixed tenure of the Director has changed the scenario. The government cannot transfer the CBI Director before a minimum of two years. During my two-and-a-half years' tenure, the government has never given any sug-

gestion till now. I myself give every instruction in writing. In the CBI, there is a single-file system. Every officer is encouraged to express his views freely and frankly and he is accountable for the same.

gfiles: *What is the world crime scenario which is handled by agencies like CBI?*

VS: There has been a dramatic shift in the world crime scenario from conventional offences like theft, robbery, forgery, etc. to economic scams which fully or partially fall in the cyber domain. New-generation crime like financial market and capital market scams, insurance fraud, manipulation and falsification of computer records, and illegal access to information causing wrongful gain to individuals etc. are taking centre stage.

gfiles: *How many cases are you investigating and how many cases are at Preliminary Enquiry level?*

VS: As of 31.03.2008, 1165 cases were under investigation, out of which 40 are Preliminary Enquiries.

gfiles: *What is the number of economic cases you are handling at present?*

VS: The Economic Offences Division of CBI has 164 cases under investigation as of March 31, 2008.

gfiles: *What is the success rate of cases which you filed in court?*

VS: In 2007, the rate of conviction was 67 per cent. In 2006, it was 73 per cent. On an average, the conviction rate ranges between 65 and 73 per cent.

gfiles: *It has been observed that in most cases the court observes that the CBI has not submitted the corroborating evidence or was unable to collect it. The case is weakened and CBI loses it....*

VS: It's incorrect to say in most cases courts have made such observations. In one or two cases, a court has made certain observations. There is a mechanism for in-house examination of such observations and, if required, necessary steps are taken to improve our working. In a few instances, on appeal, the higher courts have appreciated our point of view with respect to the evidence adduced by the agency. The effort is to collect substantial and conclusive evidence in every case and, wherever necessary, corroborating evidence is also gathered to strengthen the prosecution's case.

gfiles: *Policing experts say CBI is an organization of deputationists. People come and serve and go back to their parent cadre so the*



'There will not be a single case related to Telgi which will not end in conviction'

real growth of the institution suffers.

VS: CBI's cadre officers, including its investigating and law officers, are its biggest asset. They are its backbone. Senior police officers come on deputation from their parent cadre to CBI for four to five years. They enrich the organization with their vast experience in their state police and help immensely in providing necessary momentum to the organization. An organization decays if it is not able to adapt to the growing challenges. Deputationist officers, who have field experience of supervising a large number of diverse cases, help CBI investigations in grappling with various intricacies of investigation. Also, though investigation is carried out centrally, the trial goes on in the court in the state. There are differences in the court procedures of various states and deputationists provide the necessary versatility required by the organization in dealing with trial courts all over the country. Moreover, getting officers on deputation provides the necessary flexibility in maintaining regional and linguistic balance. You must appreciate that CBI has the capability to carry out investigation all over the country. The chargesheet may be filed in a particular language. The investigation requires CBI to be proficient in the language.

gfiles: *Due to the lack of trained manpower, the CBI is not able to deliver what is*

desired by the country.

VS: Yes, there is definitely shortage of manpower in CBI. The sanctioned strength of CBI is only 5,960 including technical officers, legal officers and Group D employees. Even with this small strength, CBI has been able to deliver very effectively and efficiently. Within this 5960, there has been a vacancy of about 1450 posts, including around 1000 posts of investigating officers and legal officers. The expectation of the country from CBI is increasing because of its performance and more manpower would definitely help in coping.

gfiles: *CBI said that the counterfeit currency problem can be solved if we stop printing currency on imported paper. Has anybody taken note of this in the Finance Ministry?*

VS: Yes, there was a suggestion given by CBI. A number of intelligence and interrogation reports have suggested that illegal presses printing counterfeit Indian currency are running outside India. There were also intelligence reports that some agencies outside India were successful in importing optically variable ink used for printing Indian currency notes by misrepresentation of fact. There is a single company said to be supplying currency printing paper to both India and Pakistan. This issue is being taken seriously by the Centre. A coordination mechanism amongst all the agencies involved, including the RBI, is in place. CBI has been interested as a nodal agency in tackling the menace. Of late, there have been many successes in nabbing traffickers of counterfeit currency in India and abroad. Cooperation received from Sri Lanka and Malaysia is noteworthy.

gfiles: *How does CBI help the country in governance?*

VS: There can be no governance with rampant corruption. Any form of governance with unchecked corruption will affect the poor and poverty alleviation programmes besides coming in the way of efficient implementation of developmental programmes. Most such programmes are undertaken by state governments. Thus, it is vital that state governments take effective steps to check corruption through state investigating agencies. CBI has successfully and continuously instilled fear in the minds of the corrupt and with each successful case has been able to plug some loopholes in the system. **g**



**SETTING MILE STONES IN EXCELLENCE OF
ENVIRONMENT FRIENDLY HIGH TECH.
COAL PRODUCTION**



**Achieved
4.25%
increase in
Greenery
i.e. 12.05
sq. km. of
the coal
mining
area during
Last Five
Years.**

**Controlled
Climate,
Water,
Noise &
Dust
Pollution.**



**With Large
Capacity
Highly
Sophisticated
Technology &
Highly Skilled
Manpower
Achieving
Highest
Productivity,
Profitability &
Year After
Year Growth
in Coal
Production.**

Our Corporate Social Responsibility Brings Smiling faces of the Poor Population



Contributing Prosperity to the Nation

NORTHERN COALFIELDS LIMITED

A Govt. of India Mini Ratna Enterprise & Subsidiary of Coal India Limited
Headquarters: Singrauli, District: Sidhi (MP)



'Incentives, subsidies have been announced to encourage investors in tourism'

Belonging to the 1992 batch, M Rajaram is a postgraduate in law, English and education. He also holds a doctorate in human resource management. He has diversified experience in governance of different sectors such as land revenue, health and family welfare, urban and rural development, and labour at district and state level. He has also been Collector of Thanjavur and Chennai, and Managing Director of the Slum Clearance Board and State Housing Board. He is currently Tourism Commissioner and Managing Director, Tamilnadu Tourism Development Corporation. He spoke to gfiles' **Sumit Bothra** in Chennai:

gfiles: Has Tamil Nadu done better in the last few years?

M Rajaram: Yes, there is a sustained increase year after year. Tamil Nadu has been among the top performers in tourism in India. Last year, the state attracted 524 lakh tourists out of which almost 5 crore were domestic tourists. Our foreign exchange earnings were Rs 5430 crore.

This shows a 50 per cent growth in earnings and a 25 per cent growth in tourist inflow in the state. This has been the result of a sustained marketing and promotional effort of this department.

gfiles: Are you planning something special to attract more people for religious tourism?

MR: Pilgrims visit religious destinations based on their faith and following. Tamil Nadu Tourism has always taken effort to ensure comfort and safety of pilgrims. We also interact with other departments to develop better connectivity and infrastructure at these places. Our job is to promote responsive tourism.

gfiles: TN is considered peaceful and safe.

MR: Tamil Nadu is a garden of peace. Safety and security of tourists is of utmost importance to visitors in any region. Ours is a calm and tourist-friendly state. There has been no untoward incident regarding tourists. Hospitality is an important aspect of Dravidian culture.

gfiles: What about medical tourism?

MR: Tamil Nadu is known not just for hospitality but also for its state-of-the-art hospitals. Medical tourism has been prevalent



Vivekananda Rock Memorial, Kanyakumari

Tourist Arrivals in Tamil Nadu

Year	Domestic	Foreign	Total
2005	323.39	11.79	335.18
2006	392.14	13.35	405.49
2007	506.47	17.53	524.00

here for over 50 years. CMC in Vellore is internationally known. Corporate hospitals were first started in Chennai and then spread across India. TTDC has all details of the listed hospitals on its website. There is a medical desk in the Tourism Complex. Tamil Nadu Tourism is a facilitator which disseminates information and provides access to various medical centres across the state. We have also conducted capacity-building training for hospital staff to provide tourist information to patients.

As for business tourism, a large number of corporates have set up their offices in Tamil Nadu and especially in Chennai. So a large number of business tourists from the US, UK, South Korea, etc. visit Tamil Nadu.

gfiles: Is there a language problem?

MR: The state gets visitors not just from north India but also from the east, Northeast and other nonTamil-speaking regions. The visitors find it quite easy to move around. Tourist spots have trained English-speaking guides and quite a few of

'The tourism department encourages local inhabitants to register in the Home Stay Programme'

them speak not only Hindi but also other languages, including foreign languages. The state has about 600 trained guides and the tourism department conducts courses to update their knowledge and skills. Tamil Nadu has always been very strong in English as it is a highly literate state.

gfiles: Is TN ready to consider public-private participation for developing new areas to attract more tourists?

MR: In line with the trend and the paradigm shift, the TN government encourages PPP in all sectors including tourism. The government provides a subsidy to investors as an incentive to promote development in new areas. At the micro level the tourism department encourages local inhabitants to register in the Home Stay Programme that offers bed and breakfast to tourists at very affordable rates. This also provides a livelihood to the local residents.

Tamil Nadu has lots of tourism marvels and temples dating back 2000 years. Tamil Nadu Tourism has been developing lesser-known tourist spots including hill stations such as Elagiri Hills, Kolli Hills, Yercaud, etc. Incentives and subsidies have also been announced to encourage investors.

gfiles: What is the TN government planning to do to improve travel infrastructure?

MR: Chennai, Coimbatore and Trichy have airports which provide international connectivity. Our road and interstate transport network is among the best in the country. The government is improving transport and the road network connectivity.

gfiles: Do you have plans to develop sea shores on the lines of Goa?

MR: Tamil Nadu has over 1000 km of coastline with lagoons and back waters suitable for water sports. Marina Beach in Chennai is the world's second longest beach. Other popular beaches are Elliots, Mamallapuram, Cuddalore, Tranquebar (known for ozone-rich ambience), Poompuhar (ancient port city), Velankanni, Rameswaram, Tiruchendur, Kayalpattinam, Ovari, Kanyakumari, Nagercoil, Thengai pattinam, etc. Popular water sports centres in the back waters of the east coast are Muttukadu and Mudaliarkuppam. **g**



GOA SHIPYARD LIMITED

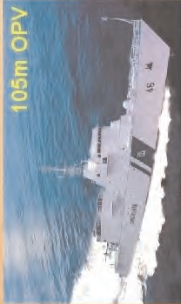
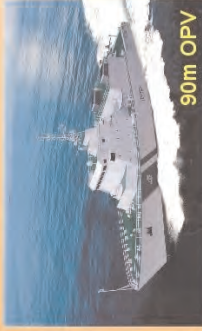
(AN ISO 9001 COMPANY)

SHIPBUILDERS, SHIPREPAIRERS & ENGINEERS

(A Govt. Of India Undertaking - Ministry Of Defence)



Established in 1957 Marching Ahead



- ★ In-house design capability
 - Proven design for Patrol Vessels ranging from 50 to 105 metres
- ★ World Class CAD-CAM facility
 - Tribon platform having interface with Baan – ERP
- ★ ERP for Project Monitoring & Control
- ★ Modern Steel Preparation Shop
 - CNC Plate Cutting Machines
 - Automatic Shot Blasting Equipment
 - CNC Pipe Bending Machine
- ★ Modern Electronic Workshop
- ★ Ship Repair and General Engineering Services
- ★ Setting up of Simulated Training Facilities

... Committed to Excellence

... Committed to Quality

VASCO-DA-GAMA, GOA-403 802. INDIA.
PH: +91(832) 2512152 to 2512156 / 2513954 / 2514467 / 2514471
FAX: +91(832) 2513260 / 2513943 / 2512148

E-mail : contactus@goashipyard.com
Visit us at www.goashipyard.com

Chairman & Managing Director : RADM. (Retd.) A. K. Handa, AVSM VSM

Pomp and circumstance

Are there any real gains from sending the President on costly ceremonial visits abroad?

by NIRANJAN DESAI

THE first overseas tour of President Pratibha Patil was marred by unprecedented goof-ups, protocol glitches and controversy which regaled television audiences and newspaper readers at home. There were some misconstrued and laughable attempts at glossing this over through inspired leaks in the media. An article in a prominent national daily cooed fawningly how the President learnt some Spanish particularly for the visit!

Another article sought to put the entire blame on the Ministry of External Affairs (MEA) for poor attendance at the President's joint address to the Brazilian Parliament and the cancellation of a similar address to the Mexican Parliament. Of course it completely escaped the writer that it is not in the power of the MEA to compel Brazilian members of Parliament to listen to a proforma address by an Indian President who does not enjoy any particular national, let alone international, standing. The cancellation of the joint address in Mexico was the result of intra-party squabbles in the Mexican Parliament over which the MEA has not even remotely any control.

Members of Parliament all over the world are generally not given to protocol niceties. During my tenure as Chief of Protocol, many a time I have seen vacant seats at Presidential banquets for foreign heads of state when MPs failed to turn up after accepting the invitation from the President of India.

The President's failure to salute the Mexican flag while inspecting the Guard of Honour cannot be blamed on the MEA as she must have been briefed by her Secretariat and the MEA. For every foreign visit, the Chief of Protocol prepares a detailed and voluminous dossier on the events, ceremonies, personalities to prevent goof-ups.

The failure of the President's son to turn up for the Mexican President's State banquet and the consequent vacant seat with

his name card at the table must have embarrassed the accompanying MEA officials and the Indian Ambassador to Mexico no end as this was an unpardonable breach of protocol. Instead, he was off to Miami on personal work and then had the temerity to justify his absence stating that he was not part of the delegation but only a family member. If he was not part of the delegation, then why should the Indian taxpayer pay for his travel to and stay in the three countries visited by the President?

Another controversial feature of this visit was the inclusion of five doctors in the delegation, including one whose only function reportedly was to administer eye drops to the President. This could not be a delegation from a country where a vast majority still strives to survive; it smacks of the Mughal *darbar*. Why must Indian taxpayers foot such outrageous bills?

In the old days Presidential visits were solemn occasions but now they have degenerated into mere jaunts for the President and the family and other sundry favourites to escape the summer heat of Delhi. Is it not strange that a majority of Presidential visits takes place in summer?

The time has come to evaluate the usefulness of such visits and to introspect whether such visits bring about any tangible benefits to the country considering that



ILLUSTRATION: ARUNA

vast amounts are spent on such visits, sometimes at the cost of causing inconvenience to the general public by withdrawing two jumbo jets from Air-India's operating fleet. In the old days, when we were a new nation, such visits were necessary to build up an international identity. Also, persons who occupied such high office then were towering personalities in their own right.

Nowadays such Presidential jamborees have no distinct advantage either for the nation or the host country. First of all, since the President of India is not the executive head of the government, the visit does not

When we were a new nation, such visits were necessary to build up an international identity. Also, persons who occupied such high office then were towering personalities

have much significance for the host country; it is merely a ceremonial state occasion full of pomp but devoid of substance designed to create that elusive goodwill, which nobody has been able to define precisely. Hence, such visits do not create the excitement a Prime Ministerial visit creates when the two executive heads of government could conduct serious business. Why invest so much in empty pomp at huge expense to the national exchequer? Instead, it would be more productive if the President visited at frequent intervals the remotest area of the country away from Delhi to ascertain how the majority of our citizens lives and to learn about their concerns and aspirations first-hand.

Second, is it not curious that most Presidential visits are to countries of Europe and Latin America and that there have been only a handful of visits to our neighbouring continent, Africa?

Third, the composition of the Presidential delegation leaves much to be desired. Presidential visits are not to be treated as vacations abroad for the extended family. Each member of the delegation must be carefully chosen for his ability and usefulness to contribute substantially to the strengthening of relations with host countries. The *darbar* mentality does not work and should not be allowed to flourish in the 21st century.

However, one is not too sure about any substantial changes in the near future. For, of all the institutions left behind by the British, Rashtrapati Bhawan or the Viceregal Lodge has not changed or evolved with the modern democratic set-up and ethos. It is perhaps the most anachronistic and feudal institution in the country. Otherwise, why should a "people's socialistic democracy" continue with the institution of the Military Secretary to the President? Such an institution was necessary for the Imperial Raj but in 21st-century India it has no place. For, the Military Secretary, who is generally of the rank of Major General, only does bandobast which could be done by any logistics person. Similarly, the institution of the ADC to the President and the Governors is another Raj relic which must be removed to be in tune with modern democratic times. Even a formidable military power like the United States does not have such institutions from another time warp. **g**

EQ unravelled



Title: Emotional Intelligence at Work – A Professional Guide
Author: Dalip Singh
Publisher: Response Books
Price: Rs 320

THIS book, *Emotional Intelligence at Work: A Professional Guide*, by Dr Dalip Singh, a senior IAS officer, has earned international acclaim. It tells us that emotional intelligence is an evolving concept with profound applications and challenging possibilities. A person's emotional make-up largely determines his or her professional or personal success. It is interesting to note that so many people with high IQ (Intelligence Quotient) fail whereas those with less intellectual endowment are successful. It is now recognized that IQ may account for only about 20 per cent of a person's success in life. The remaining 80 per cent depends largely on a person's emotional intelligence or emotional quotient (EQ), as this book says. It is not possible to feel comfortable at the workplace if you are not comfortable with your own skills.

The author puts simple questions to managers. Do you assess your personal and professional life at the moment as satisfactory? Have you achieved all your expected goals? Do you generally feel at ease with the world or a little out of place? The answer will reveal that a manager who is unaware of his/her emotions on others is a walking disaster at the workplace. 'Soft' skills matter more for success than 'hard' skills.

Emphasizing the importance of emotions, he says that emotions are human beings' warning systems that alert them to what is really going on around them. Some of the dominant emotions are anger, depression, anxiety, happiness, love, surprise, disgust, embarrassment and so on. One should learn to recognize and name one's emotions to derive benefit.

Emotional intelligence constitutes three psychological dimensions: emotional sen-

sitivity, emotional maturity and emotional competency, which motivate an individual to recognize truthfully, interpret honestly and handle tactfully the dynamics of human behaviour.

Dr Singh also dispels myths about emotional intelligence by admitting that it does not mean merely 'being nice' or 'giving free rein' to feeling. Your emotional intelligence is not fixed genetically, and it develops in early childhood. Emotional intelligence has its own consequences. For example, a low-EQ person will reflect feelings of unhappi-

ness, frustration, emptiness, bitterness, depression, instability, failure, dejection, anger, dependence, loneliness and stress. Similarly, a high EQ person will reflect happiness, appreciation, satisfaction, peace, freedom, desire, motivation, contentment, elation, awareness, self-esteem and balances. Emotional intelligence is the capacity to create positive outcomes in your relationships

with others and with yourself.

One can learn new emotional skills any time in life. Some of the skills that can help in managing emotions in your personal life as well as in the workplace are: recognizing your emotions, empathizing with others, developing high self-esteem, managing emotional upsets, being an emotional 'winner', influencing people, and managing your anger.

His advice to modern-day managers is to try to be an emotional 'winner'. Few people are 100 per cent winners or losers. It is a matter of degree. Winners or losers respond differently to situations they encounter. Some of the management areas where emotional intelligence can be applied to have gainful outcome are: corporate culture, hiring, customer service, high technology management, turnover, training, productivity, goal-setting, emotional support and leadership. Log on to the author's website (www.eqindia.com) and attempt a free EQ test. **g**

The writer is a professor, department of psychology, University of Delhi



Dalip Singh: about emotional 'winners'

Destiny's ch

A career spent in modernizing India with electric crematoriums and gas supply to rural areas

IT was Pluto who said that refusing to participate in politics means you are willing to be governed by your inferiors. I had always believed that, to reform society, one must participate in politics. But destiny played its own role. In the region I come from, the youth dreamt of becoming Collectors. Three types of employment opportunities were available: IAS, military and banking.

I am from Munaganj village in Oraiya district, Uttar Pradesh. Ours was a good middle class farmer family. One of my six brothers took *sanyas* at the age of 16 after spending much time with a number of sufi saints. I studied in a junior high school 10 km from my village, walking 20 km daily. It was really a pity that the system allowed the school to be run from a portion of a *zamindar's* dwelling that housed pigs. The school's land was encroached upon by the *zamindar* and it was difficult to study there. In the rainy season, I had to swim across the Sengar river to get to school. Amidst all these hardships, I topped in the district by scoring over 90 per cent marks. Then I shifted to the government Intermediate school, living in a rented room and cooking my meals. Because of my outstanding performance in studies, teachers loved me and had great expectations of me.

A major change came into my life after I joined Allahabad University. I was interested in doing engineering and had deposited fees in Delhi Polytechnic Institute (now Delhi College of Engineering). But my friends kept reminding me of my goal of becoming a Collector, not an engineer. So I joined Allahabad University and studied English literature, history and philosophy. Allahabad was an academic hub. Students from Japan, Nepal and the Northeast lived in the hostels. I studied socialist and communist literature and developed a firm



Bahuguna, Banarsi Das, Kalyan Singh; (facing page) Devi Dayal: man with a view

Out of the Chief Ministers I served, HN Bahuguna, Banarsi Das, Ram Naresh Yadav and Kalyan Singh, I consider Bahuguna the best.... Kalyan Singh was straightforward and had a clear vision about things to be done

belief in equal opportunities and rights for all citizens. I participated regularly in debates and literary activities. After MA, I took admission into the law course. When I was in the final year, in 1965, I appeared for the IAS exam and cleared it in the first attempt. Before that, I had also qualified in the bank Probationary Officers (PO) examination and the Uttar Pradesh Provincial Services exam.

One fine morning, I sent a telegram to my father asking him to send me Rs 3,000. I called the police station of my village and spoke to my father. He wanted to know why I needed so much money suddenly. I explained that I needed to have a suit tailored for the PO and IAS interviews.

After training in Mussoorie, my first

posting came as a challenge in one of the most sensitive districts, Deoband, as Sub-Divisional Magistrate. Holi was nearing and the town was tense. I handled the situation and the festival passed off peacefully. I also served as District Magistrate of Badayun, Gorakhpur. During my stint in Gorakhpur, a flood struck. I managed the crisis in such a way that my Commissioner asked other District Magistrates to learn from my management of the flood.

When Chaudhry Charan Singh was Chief Minister of Uttar Pradesh, I was appointed Joint Director (Industries) in western Uttar Pradesh and monitored Agra and Meerut. The government gave a lot of power to develop industries and import was allowed. When I was Deputy



ild

reas

gradually others followed suit.

Sexual exploitation and burning of Scheduled Caste colonies was the bane of the district. Sometimes, Scheduled Caste people retaliated with attacks on the upper castes. When HN Bahuguna was Chief Minister, he asked me what should be done. I advised him to set up a midwives' training school and make it mandatory to pay minimum wages of Rs 6.25 to workers. This was done for the first time in UP

gramme. The state government awarded me a colour TV set in recognition of my work and I still have it. I also served the UP government as Secretary, General Administrative Department (GAD). During my tenure as Secretary, Excise, the department collected the highest revenue.

Delhi is a city of political power. After waiting for almost 13 years, I was posted as Joint Secretary, Marketing in the petroleum ministry. During those 13 years, my name appeared at the top of the panel but I was never selected. Another surprise was that I worked in the same room and at the same table for seven years even as Additional Secretary, Ministry of Petroleum.

It was due to my initiative that the campaign for gas to villages was launched. I would tell the gas companies that our priority should be to reach out to the villages. Happily, political leadership appreciated and supported me. I shifted as Secretary, Coordination in the Cabinet Secretariat and later as Secretary, Banking.

The banking sector is still too security-conscious and keeps insisting on collateral security. Small farmers are still not favoured by banks. Artisans are totally neglected. I used to tell our banking officials to meet customers every day without appointments and listen to their grievances. We have Rs 2 lakh crore worth of non-performing assets (NPA) belonging to industrial houses and rich people. The small borrowers are denied loans as they don't know the tricks of the trade.

Out of the Chief Ministers I served, HN Bahuguna, Banarsi Das, Ram Naresh Yadav and Kalyan Singh, I consider Bahuguna the best. Bahuguna said that if the people of a district were coming to see him, it meant the Collector was not performing well. He created a corruption-free atmosphere. He preferred public interaction and was accessible most of the time. Bahuguna was also very considerate to his officers. He listened to them and respected their views but lost no time in taking stern action against inefficient officers. Another Chief Minister I still admire is Kalyan Singh. He was straightforward and had a clear vision about things to be done in the state.

I am happy that I believed in equality of all and respected every human being. I am happy I served the country in a humble and hardworking way. **g**



Secretary in the Lucknow Secretariat, 10,000 engineers were to be appointed in local self-government. I used to conduct interviews from 9 am to 2.30 pm, and then in the evening sit in the Secretariat to finish the work. My ageing parents asked me to resign so I could spend more time with them. I appreciated their feelings but my zeal to serve the poor remained firm.

My posting in Ghazipur as District Magistrate was a learning experience. The district was feudal and the landowners considered it a sin to plough fields themselves. I persuaded Arvind Mani Tripathy, younger brother of my colleague, Sushil Chandra Tripathy, to organize a big village festival and plough a field himself. He did it and

and people said, "*Devi Dayal to naaxal ho gaya hai.*"

Meanwhile, I got married to a Kayastha girl though I wanted to marry within my backward community. I served as Collector in Muzaffarnagar, Jhansi and Varanasi districts. I also served as an Administrator, Municipal Corporation, Varanasi, where I got the first electric crematorium installed despite opposition from the strong *dom* lobby. Initially, being a backward caste officer, I was opposed by this lobby but my dedication to work endeared me to them later and they welcomed me in the presence of CPN Singh, then Governor. During 1984-86, I served as Commissioner in Garhwal and launched the family welfare pro-

Citizen policeman

The SP of Nasik (Rural) ropes in villagers to protect the community

THE adage of “for the people, by the people and of the people” can very aptly be applied to Nasik Police (Rural), thanks to Superintendent of Police Nikhil J Gupta (IPS, 1996 batch). The officer has launched Village Defence Parties (VDPs) or Gram Rakshak Dal (GRDs) to contain crime, harnessing the cooperative spirit of the people of Maharashtra.

“The population explosion has increased crime rates. Natural calamities also keep striking the state. Hamstrung by the dismal citizen-police ratio, we are often unable to reach the scene of crime on time, especially in rural areas. To augment the strength of the existing police force, formation of VDPs in every village of the district is the best solution,” says Gupta.

Beginning June 2007, the first phase of the project saw enrolment of nearly 12,000 members in a little over a month. In the second phase, another 10,000 joined. By the end of August, the number rose to 24,000. Today, the number of VDP members in Nasik (Rural) stands at over 26,000, including 600 women. All the 1,843 villages of the district are covered. Such efforts have con-

stitutional backing in the Bombay Police Act, 1957 and the Bombay Police Manual Vol. III, Rule 508. All the members have been taught self-defence as well as given *lathi* and whistle training. They have also been taught patrolling, law and police functioning, collection of intelligence, and ways to fight natural hazards. These VDPs have become a role model for the entire state and the Maharashtra police chief has called for implementation of this initiative in every district.

The effort of enrolment and training has paid off. The VDPs have assisted the police in peaceful conduct of local body elections, religious functions, and the Maharashtra government’s *Tanta Mukta Gaon* (dispute-free village) initiative. Besides, they have also helped in prevention of major property offences and highway dacoity, and in arrest of thieves, foodgrain and sandalwood smugglers. They have foiled kidnappings and eve-teasing. Significantly, since the people are involved in policing, the police bandobast at major religious and social gatherings has fallen by 25 per cent.

Members of VDPs are also helping accident victims on highways and voluntarily digging wells to overcome the potable water shortage in remote areas. **S**



Gupta: grassroots man

Dedication in pursuit of excellence

The Kudremukh Iron Ore Company Limited

The Kudremukh Iron Ore Company Limited incorporated in 1976 has achieved the multiple objectives of ecological preservation, social betterment and the mining of iron ore. Giving a high level of priority to the environment and society, KIOCL has succeeded in long term restoration of the environment while paying heed to social obligations and taking steps to better the lives of people in the Kudremukh region.

- First fully integrated operation in India stretching from the mine to the port and export markets.
- First iron ore long distance slurry pumping operation in Asia, with a pipeline spanning 67 kilometers
- First large scale magnetite iron ore mine in India

Our social obligations:

- Financial assistance for the Dr. B.R. Ambedkar Bhavan and Samudhaya Bhavans at various socially and economically backward areas
- Construction of school play grounds at Hirebale, Angadi, Niduvale and numerous other locations
- Borewell and water supply for Samse Village and Nellibeedu Village
- Infrastructure development in the form of roads across the area and bridges over the river Bhadra
- Development and Maintenance of the Kendriya Vidyalaya.

Our environmental concerns:

- Plantation of 8.5 million saplings covering 45 different species
- Development of Sanjivani Vana, a lush heaven on earth
- Construction of the Lakya dam to prevent silt entering the River Bhadra
- Environmental studies undertaken in collaboration with various universities
- Restoration of near extinct plant species in the area
- Ferns and grass planting in mine abandoned area
- Numerous awards for environment protection measures including the Fille Environment Award 2005

KUDREMUKH IRON ORE COMPANY LIMITED

(A Government of India Enterprise)

Regd. Office: II Block, Koramangala, Bangalore-560 034

AN ISO 9001:2000, 14001:1996 & OHSAS 18001:1999 COMPANY

ECOLOGY-OUR MISSION OUR OBSESSION

Visit us at : www.kudremukhore.co.in



Inflation is the decisive factor

THE recent recovery in the markets was backed by positive global cues coupled with better than expected quarterly results churned out by the corporate sector. Barring cement, capital goods and a few other sectors, most of the sectors including automobiles, metals, pharma and FMCG did well. Information technology and telecom sectors gave a pleasant surprise by beating market expectations.

However, the recovery was not convincing enough to lure back the small investors to placing bets. The mood remained by and large cautious since scepticism has not lessened significantly. The consolidation period therefore cannot be said to be over.

Moreover, there is nothing to cheer so far as the domestic economy is concerned. The economic growth momentum is decidedly slowing with the latest estimates of GDP growth for the current year being placed at 7

end up spoiling the market sentiment. Inflation, therefore, appears to be the single most important factor that may influence the market sentiment in days to come.

Given the choice between inflation and growth, especially in an election year, the government would like to sacrifice growth for controlling inflation. There are ample indications to suggest this in the recent policy measures initiated by the government including increasing CRR, reducing custom duties, levying additional export duties and curbs, persuasion and threat for price controls, banning futures in certain commodities etc. The RBI so far has desisted from announcing an interest rate hike; if and when announced it can take a heavy toll on the market.

However, if we look at the valuations, especially when compared with the market's own history and that of its peers among

emerging markets, they don't look that stretched. The Indian market's fall has been much sharper than other emerging or Asian markets whereas the recovery has been rather slow. The trailing PE multiple for the financial year 2007-08 has corrected from a high of some 27 times plus to a rather more reasonable looking 17 to 18 times now. On a forward basis, the sex PE based on 2008-09 earnings is estimated at approximately 15. Though this is slightly at a premium

compared to its peers, the same is justifiable for an estimated corporate earnings growth of slightly less than 20 per cent.

The market appears to have factored in high inflation and the mild deceleration in economic growth and the likely impact the two will have on corporate earnings. But investors are rather cautious and more risk-averse than willing to take an active call on the market. Everyone wants to stay with cash in expectation of a sharp fall in days to

come due to impending uncertainties faced by the market including coming elections, monsoons, crude oil and movement of the rupee. Hence, the days to come can best be described as a time for the market to consolidate and then decide its future course of action.

But one thing is sure: the panic created by the sub prime crisis has receded a great deal and the only thing everyone is waiting for is for normalcy to return especially in the global context. There have indeed been sufficient hints for that too to happen; till then, a staggered and selective approach to investing is recommended for investors with a long-term perspective.

Orient Paper & Industries (CMP Rs 41)



THE company, belonging to the CK Birla Group, was incorporated in 1939 in Kolkata. It is primarily engaged in manufacture,

marketing and export of paper, cement, electrical accessories including fans and knowhow services. Paper is marketed under the brand Diamond Touch, cement under Birla A and Orient Gold, and fans under Orient. The company is the second largest producer of paper and sells the largest number of fans. It is ranked among the most efficient paper manufacturers and its plant enjoys ISO 1400 certification. Its plant for Orient Cement is certified ISO 9001 14001. The company is on a major expansion drive in all its segments. The turnover of the company has steadily increased from Rs 295 crore in the first quarter of this financial year ie June 2007 to Rs 382 crore in the last quarter ie March 2008. The current market price of Rs 41 discounts the trailing 12 months' EPS of Rs 13.55 by just three times, which is quite cheap compared with its peers. An investment in the stock is not only safe but can give reasonably good returns, especially in the present turbulent times that the markets are facing. **g**

The market appears to have factored in high inflation and the mild deceleration in economic growth and the likely impact the two will have on corporate earnings. But investors are rather cautious and risk-averse

to 7.5 per cent as against the earlier 8 to 8.5 per cent. Inflation is touching the 8 per cent mark and net foreign inflows have slowed considerably.

All this, coupled with rising crude prices, Pay Commission recommendations increasing subsidies and other off-Budget announcements, is likely to have a serious impact on the fiscal situation which is likely to worsen. This increases the possibility of further monetary tightening and price controls which may

The author has no exposure in the stock recommended in this column. gfiles does not accept responsibility for investment decisions by readers of this column. Investment-related queries may be sent to gfilesindia@gmail.com with Dr Sood's name in the subject line.

IAS officers' birthdays | JUNE 16-JULY 15, '08

KHG Gowda
16-06-1952
CADRE: KARNATAKA
gowdak@ias.nic.in

P Dayanand
17-06-1976
CADRE: CHHATTISGARH
dayanand.ias@ias.nic.in

K Damayanthi
18-06-1960
CADRE: ANDHRA PRADESH
damayant@ias.nic.in

PC Sanalkumar
19-06-1949
CADRE: KERALA
sanalkpc@ias.nic.in

Prashant Kumar Singh
20-06-1970
CADRE: MANIPUR-TRIPURA
singhpk@ias.nic.in

Anurag Rastogi
21-06-1965
CADRE: HARYANA
rastogi4@ias.nic.in

Anil Kumar Khachi
22-06-1963
CADRE: HIMACHAL PRADESH
khachiak@ias.nic.in

TS Sridhar
23-06-1955
CADRE: TAMIL NADU
sridhart@ias.nic.in

KR Padha
24-06-1947
CADRE: JAMMU & KASHMIR
padhakr@ias.nic.in

RB Dave
25-06-1950
CADRE: GUJARAT
rbdave@ias.nic.in

Rajneesh Vaish
26-06-1959
CADRE: MADHYA PRADESH
vaishr@ias.nic.in

Gayatri Barua
27-06-1952
CADRE: ASSAM-MEGHALAYA
baruag@ias.nic.in

Roshni Sen
28-06-1966
CADRE: WEST BENGAL
senr@ias.nic.in

Rajeev Singh Thakur
29-06-1969
CADRE: RAJASTHAN
thakurrs@ias.nic.in

Tobor Dorjee
30-06-1950
CADRE: SIKKIM
dorjee@ias.nic.in

H Khekuto Khulu
01-07-1954
CADRE: NAGALAND
khuluhk@ias.nic.in

Om Prakash Arya
02-07-1948
CADRE: UTTARAKHAND
aryaop@ias.nic.in

Asha Swarup
03-07-1950
CADRE: GUJARAT
swarupa@ias.nic.in

Amitabh Joshi
04-07-1962
CADRE: MAHARASHTRA
joshia1@ias.nic.in

Mukesh Kumar Sharma
05-07-1960
CADRE: RAJASTHAN
sharmamk@ias.nic.in

Brahmadin Singh
06-07-1947
CADRE: UTTAR PRADESH
sbrahma@ias.nic.in

Pooja Singhal
07-07-1978
CADRE: JHARKHAND
singhalp@ias.nic.in

Tuhin Kant Pandey
08-07-1965
CADRE: ORISSA
pandeytk@ias.nic.in

Varsha Joshi
09-07-1971
CADRE: UNION TERRITORY
joshiv2@ias.nic.in

Hemchandra Jha
10-07-1948
CADRE: BIHAR
hemchandra@ias.nic.in

Pradeep Kumar
11-07-1958
CADRE: JHARKHAND
kpradeep@ias.nic.in

Gurinder Singh Grewal
12-07-1951
CADRE: PUNJAB
grewalgs@ias.nic.in

LV Nagarajan
13-07-1955
CADRE: KARNATAKA
nrajanlv@ias.nic.in

IPS officers' birthdays | JUNE 16-JULY 15, '08

Anand Mohan
16-06-1970
CADRE: AGMUT
anandmohan@mail.svpnpa.gov.in

Seema Agarwal
17-06-1966
CADRE: TAMIL NADU
seema@mail.svpnpa.gov.in

PN Sarawade
18-06-1964
CADRE: MAHARASHTRA
pnsarawade@mail.svpnpa.gov.in

Alok Kumar Mittal
19-06-1969
CADRE: HARYANA
akmittal@mail.svpnpa.gov.in

Kiran Chandrika Prasad
20-06-1947
CADRE: JHARKHAND
cpkiran@mail.svpnpa.gov.in

Ashok Awasthi
21-06-1964
CADRE: MADHYA PRADESH
ashokawasthi@mail.svpnpa.gov.in

Surinder Singh
22-06-1957
CADRE: PUNJAB
surinder@mail.svpnpa.gov.in

SM Narvane
23-06-1965
CADRE: ORISSA
smnarvane@mail.svpnpa.gov.in

Vikas Sahay
24-06-1965
CADRE: GUJARAT
vikas@mail.svpnpa.gov.in

E Damodar
25-06-1959
CADRE: ANDHRA PRADESH
edamodar@mail.svpnpa.gov.in

Owais Ahmed Sheikh
26-06-1955
CADRE: JAMMU & KASHMIR
owais@mail.svpnpa.gov.in

Shailja Kant Misra
27-06-1952
CADRE: UTTAR PRADESH
sk_misra@mail.svpnpa.gov.in

Rajeev Mishra
28-06-1971
CADRE: WEST BENGAL
rajeevmishra@mail.svpnpa.gov.in

PK Harmese Tharakan
29-06-1945
CADRE: KERALA
pktharakan@mail.svpnpa.gov.in

Himanshu Gupta
30-06-1969
CADRE: CHHATTISGARH
himanshu@mail.svpnpa.gov.in

RK Radhesana Devi
01-07-1948
CADRE: MANIPUR-TRIPURA
radhesanadevi@mail.svpnpa.gov.in

Kishan Singh Meena
02-07-1958
CADRE: JHARKHAND
ksmeena@mail.svpnpa.gov.in

N Anonochet Ao
03-07-1948
CADRE: NAGALAND
nanonochet@mail.svpnpa.gov.in

ST Ramesh
04-07-1951
CADRE: KARNATAKA
stramesh@mail.svpnpa.gov.in

VB Singh
05-07-1950
CADRE: HARYANA
vbsingh@mail.svpnpa.gov.in

M Nageswar Rao
06-07-1960
CADRE: ORISSA
mnageswar@mail.svpnpa.gov.in

Mrinalini Shrivastava
07-07-1978
CADRE: SIKKIM
mrinalini@mail.svpnpa.gov.in

Satyanarain
08-07-1956
CADRE: ANDHRA PRADESH
satyanarain@mail.svpnpa.gov.in

Jiban Singh
09-07-1950
CADRE: ASSAM-MEGHALAYA
jsingh@mail.svpnpa.gov.in

Rabindra Nath Sarkar
10-07-1950
CADRE: WEST BENGAL
rnath@mail.svpnpa.gov.in

Prithvi Raj
11-07-1957
CADRE: HIMACHAL PRADESH
prithvi@mail.svpnpa.gov.in

Gurdev Singh
12-07-1954
CADRE: PUNJAB
gurdevsingh@mail.svpnpa.gov.in

KVS Murthy
13-07-1947
CADRE: TAMIL NADU
kvmurthy@mail.svpnpa.gov.in

For the complete list, see www.indianbuzz.com

R SRIKUMAR

The 1973-batch IPS officer of the Karnataka cadre has been appointed Director General of Police of the state.

AP SHRIVASTAVA

The 1979-batch officer of the Indian Postal Service is now Chief Vigilance Officer of Jawaharlal Nehru Port Trust.

SUNIL KRISHNA

The 1973-batch IPS officer of the Uttar Pradesh cadre has become Director General of the National Human Rights Commission.

ARUN BHATNAGAR

The retired 1966-batch IAS officer of the Madhya Pradesh cadre has become Chairman of Prasar Bharti for three years.

VIJAY KUMAR

The 1990-batch IRS officer has been deputed for five years as Director in the Research & Analysis Wing.

ASHOK KUMAR HANDA

The 1973-batch IRS officer is now Chief Vigilance Officer of the Income Tax department for three years.

P RAMAKANTH REDDY

The 1973-batch IAS officer of the Andhra Pradesh cadre has been appointed Chief Secretary of the state.

DALIP SINGH

The 1982-batch IAS officer of the Haryana cadre is now Joint Secretary in the Ministry of Steel, Government of India.

RS SHUKLA

The 1986-batch IAS officer of the West Bengal cadre is now Joint Secretary in the Department of Health, Government of India.

SHAKUNTALA GAMLIN

The 1984-batch IAS officer of the Union Territory cadre has become Joint Secretary in the Department of Health, Government of India.

VIKRAM SRIVASTAVA

The 1973-batch IPS officer of the Uttar Pradesh cadre has taken over as Director General of the Indo-Tibetan Border Police.

REEMA PRAKASH

The 1992-batch IA&AS officer has been posted as Accountant General, Uttar Pradesh.

AK RAI

The 1991-batch IFS officer of the Chhattisgarh cadre is now Chief Vigilance Officer of Manganese Ore India Ltd, Nagpur.

SAYAN CHATTERJEE

The 1976-batch IAS officer of the Kerala cadre has been appointed Director General of the Sports Authority of India.

V KANAN

The 1973-batch CSS officer has become Member, Staff Selection Commission.

RAJESHWAR RAO

The 1988-batch IAS officer of the Manipur-Tripura cadre is now Joint Secretary, Department of Food Processing, Government of India.

TEJVIR SINGH

The 1994-batch IAS officer of the Punjab cadre has been posted as District Collector of Amritsar.

SK RAUT

The 1974-batch IPS officer of the Madhya Pradesh cadre has been appointed Director General of Police of the state.

Launching the gfiles E-MAGAZINE

www.gfilesindia.com

EXCLUSIVE NEWS, VIEWS, INSIGHTS

gfiles is the country's first magazine focusing exclusively on governance and India's vast and formidable network of bureaucracies and public sector organisations. It is the only platform from which India's top decision-makers and thought leaders speak out freely and fearlessly.

gfiles
INSIDE THE GOVERNMENT

SARVASHRESTHA MEDIA PVT LTD,
118, 2ND FLOOR, DDA SITE 1,
NEW RAJENDRA NAGAR, NEW DELHI-60
Tel/Fax: (011) 28744789, 45082832,
20544692, E-mail: gfilesindia@gmail.com
www.gfilesindia.com www.gfiles.info

MOVING ON: ias and ips officers retiring in June 2008

ANDHRA PRADESH Sheela Bhide (1973) G Nageswara Rao (1988) BIHAR Ashok K Singh (1993) HARYANA Ram Kishan Rang (1976) JHARKHAND Mary B Kachhap (1980)	Jaishankar Tiwari (1989) KERALA NA Krishnankutty (1995) MAHARASHTRA Rani Jadhav (1970) ORISSA Meena Gupta (1971) TAMIL NADU S Gurumurthi (1972)	RAJASTHAN Jagdish Pal Singh (1972) RS Gathala (1988) UTTAR PRADESH Neera Yadava (1971) UNION TERRITORIES BB Saxena (1972) WEST BENGAL V Subramanian (1971)	<i>ips</i> ANDHRA PRADESH PV Naidu (1972) CV Narasaiah (1986) BIHAR MK Sinha (1971) Girija N Sharma (1984) KARNATAKA KR Srinivasan (1972)	TGD Naik (1987) UTTAR PRADESH Krishna M Pandey (1989) TAMIL NADU K Gopalakrishnan (1990) MADHYA PRADESH Sudarshan Kumar (1981) MAHARASHTRA RT Rathod (1980)
---	--	--	--	--

50% OFF



MAIL ORDER REQUEST FORM

Tick one	Term (years)	No. of issues	Cover Price (Rs.)	You pay (Rs.)	You save (Rs.)	% Saving
☐	3	36	7200	3600	3600	50
☐	2	24	4800	2400	2400	50
☐	1	12	2400	1200	1200	50



**Track the latest and hottest happenings inside the Indian bureaucracy
buzz tomorrow's news today**

indianbuzz.com
indianbuzz.com
buzz today, news tomorrow

**the premier webnews site
about Indian bureaucracy**

TO OUR READERS

WE NEED YOUR SUPPORT TO SERVE YOU BETTER

Your unique magazine has now been around for just over a year. This was a testing period for our new venture supported by an initial working capital from professional journalists. From the enthusiastic responses we have been receiving we know we have passed with flying colours. Reader support has been overwhelming and for that we extend our deepest gratitude.

Nonetheless, because of the stringent production and newsgathering standards we have maintained, we have been absorbing significant losses. We fully anticipated them. But, thanks to our readers' patronage and loyalty, we have been able to build a quality brand that began to get advertising support from the third month after we commenced production. This, however, has been less than we were expecting in order to upscale our product and to give it better readability, visuals, and visibility.

We have decided, however, to expand the scope of our coverage in order to include areas such as IRS, Postal Service, Indian Defence Accounts Services, Railways, allied services, and more news from the states by increasing the pages and strengthening our team so that our readers will continue to receive exclusive, high-quality information that is not available to them through any other channel.

In order to do this, we have decided to drastically prune our list of free subscriptions on a random basis. Your name could well be deleted. *gfiles* is not sold through newsstands. **In order to continue to receive *gfiles* we request you to support us by filling in the subscription form. If you do so before August 31, 2008 you will get a flat 50% discount on the cover price, which means that your annual subscription fee will be just Rs 1200.**

We hope you will take advantage of this unique opportunity and continue to be a part of the *gfiles* fraternity as we march from strength to strength.



All in the Som family

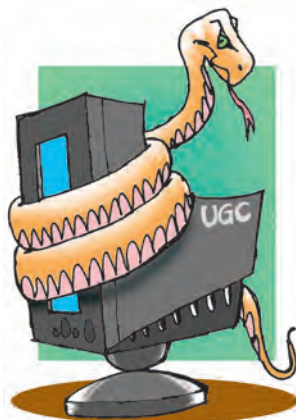
FOUNDED in 1950, the Indian Council for Cultural Relations (ICCR) weathered the alleged involvement of its former Director General, Rakesh Kumar, in human trafficking. Now, it is beginning to achieve notoriety for deculturization of its in-house appointments under the nose of its President, Dr Karan Singh.

An unusual and unprecedented appointment in ICCR by the Minister of External Affairs has set tongues wagging in both the council and the ministry. The Minister has appointed Reba Som, wife of retired Indian Foreign Service



official Himachal Som, as Regional Director of ICCR's office in Kolkata. Incidentally, Himachal is a former Director-General of ICCR.

Previous occupants of the Regional Director's post were ICCR or Ministry of External Affairs officials (on deputation) of the rank of Deputy Secretary. Nepotism besides, the scene is set for a situation in which the wife of a former DG will be reporting to a DG who is a few rungs junior to the retired DG!



Thorat throws caution to the winds

THE Chairman of the University Grants Commission (UGC), Sukhadeo Thorat, has risked a vigilance inquiry by allotting a tender to HCL for supply of computers, according to sources.

The government decided to provide 20,000 computers with internet connectivity to colleges and universities from the budget available under the current Five-Year Plan. Subsequently, UGC called for tenders and many companies responded. HCL quoted Rs 90 crore higher than a few other companies, who made lower bids with matching specifications.

Eyebrows were raised when, ignoring the lowest bidders and the objections of Education Secretary RP Agarwal and the Financial Adviser, Minister of Human Resource Development (HRD), Thorat allotted the tender to HCL. But the risk was not without future gain. For Aishwarya Singh, grandson of HRD Minister Arjun Singh, is one of the high ranking employees of HCL.

Now, Agarwal and the Financial Adviser are sitting in Shastri Bhawan with their fingers crossed. If they take

any action against the tender allotment, they might invite the wrath of the Congress veteran. If they ignore it, a vigilance inquiry is on the anvil.

Pathli galli from IB to Raj Bhavan

PC HALDER, a 1970-batch IPS officer of the Bihar cadre and currently Director of the Intelligence Bureau (IB), has been noted as frequenting the Prime Minister's house rather in excess of what his official duties require.

Usually, the IB Director visits the Prime Minister at home in the evening to provide feedback about elections, Assembly as well as Parliamentary. If the PM is unavailable, the sealed report is left with none other than the Principal Secretary to the PM.

The Karnataka Assembly polls were held recently in three phases and, going by this, only three visits were required. Intriguingly, Halder visited 7 Race Course Road about 20 times during the Karnataka elections. What is most interesting is that only three visits were to meet the PM. The rest were for meet-



ings with TK Nair, Principal Secretary to the PM.

Halder is retiring in a couple of months and knows that the Governors of Meghalaya, Himachal Pradesh and Maharashtra are due to be appointed. The appointment

of former IB Director ESL Narsimhan as Governor of Chhattisgarh after retirement has tempted Halder to set out to win Nair's favour as a stepping stone to a Raj Bhavan.



ILLUSTRATIONS: ARUNA

A vengeful whimper

As you sow, so shall you reap was the hard fact Vasudevan Thulsidas, a 1972-batch IAS officer of the Tripura cadre, learnt after his retirement as Chairman and Managing Director of National Aviation Company of India Ltd (NACIL), the new mega conglomerate that now runs merged national carriers Indian Airlines and Air-India. Vasudevan headed Air-India before the merger.

The tradition in Air-India, as in every government department, is that when an officer retires colleagues contribute money to organize a going away party and the head of the organization joins them. During Vasudevan's stint several officers retired but the haughty chief was conspicuously absent from the farewell bashes. Then came Vasudevan's own recent retirement. When his loyalists in Air-India approached colleagues for the traditional contributions, they paid him back in his own coin. The planned grand adieu party – scantily attended – ended in a vengeful whimper. **g**



Best of 5 Days FINLAND

Helsinki-2nts
Cruise-2nts

Rs. 32,666/-

Incl.: B/L, Dinner on Cruise, Sight seeing of: Historical Centre with Senate Square, Red-tiled Palace, City Hall, Parliament Building, Finnish Hall, Operahouse & Olympic stadium.



SCENIC BALI

Rs. 28,999/=-



4 Days | Daily Breakfast | 2 Lunches | 3 Dinners

Incl.: Airfare, Stay, All transfers in deluxe AC vehicle, dinner at Bali Ocean Festival restaurant, Full Day (Kintamani) Tour, Watersports activities such as parasailing, Banana Boat Ride and Jet ski at Tanjung Benoa, Sunset Dinner Cruise on the harbor and the bay, performance on the boat.

VISIT THAILAND 5 Days

Bangkok-2nts
Rs. 18,999/=-

Pattaya-2nts | Fixed departures

Rs. 19,999/=-

In Association with
Indian Airlines

For Songkran festival and the
procession of the Buddha image
for People to Bathe.

In Association with
Thai Airways



Incl.: Airfare, Stay, Breakfast, Dinner, Transfers,
A beach show, Coral Island tour, City tour.



LTC PACKAGE

MALAYSIA+SINGAPORE

9 Days | Port Blair-1nt, Genting - 2nts, KL-2nts, Sin-3nts

Rs. 41,555/=-

Incl.: Airfare, Stay, Breakfast, All transfers, City tour, Theme park,
Night safari, Sentosa Island Tour.



In 8,000/- Fly to

KATHMANDU



for your shopping at Thamel, at a throw away price from Delhi
and Varanasi, first come first serve.

Specially for all faithful Shiv Bhakts, Presenting the mother of all Tirth

KAILASH MANSAROVAR

Rs. 63,500/- P.P. (Ex-Del) | 16 Days

Stay in KTM with transfers & sight seeing, Transfers in land cruisers
during pilgrimage, All vegetarian meal, stay in guest houses/tents,
service of an expert guide.



Authorised Agent for Singapore Visa

SPRING TRAVELS (P) LTD.

H.O. - 310, Ambika Vihar, Paschim Vihar, Delhi-110067, Ph: 40464040

Fax: 42334928, info@springtravels.com, www.springtravels.com



Making a meaningful difference in people's lives



SAIL, India's largest steel maker stands committed to nurturing and enhancing the quality of life of its biggest asset – its human capital. In tune with this commitment, **SAIL** continues to work towards making a meaningful difference in people's lives.

A glimpse of **SAIL's** increasing role as a responsible corporate citizen:-

- **Environment** - Over 13 million saplings planted, energy consumption optimised, water conservation and effluent treatment intensified.
- **Education** – 138 company-run schools with 90% student retention and 1:1 ratio of girls and boys.
- **Health** – 31 company-run hospitals in **SAIL** townships and other parts of the country; Efforts have lowered Infant Mortality Rate and Maternal Mortality Rate below national average.



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
STEEL AUTHORITY OF INDIA LIMITED

There's a little bit of SAIL in everybody's life

www.sail.co.in